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Costa Rican Foreign Minister on Arms Talks

PA3107175890 Panama City ACAN in Spanish 1640 GMT 31 Jul 90

[Text] San Jose, 31 Jul (ACAN-EFE)—Foreign Minister Bernd Niehaus said today that Costa Rica believes the limitation of armaments in Central America is necessary but it is waiting to hear the opinion of neighboring countries before it makes a proposal in this regard.

The Security Commission, formed by the deputy foreign ministers and deputy defense or security ministers of the countries of the region, will discuss the reduction of military budgets and the size of the armed forces in the area. The meeting will be held today at the Costa Rica Foreign Ministry.

"Weapons must be limited and there must be control and verification in line with the interests of all the countries," Niehaus said.

It is estimated that there are more than 175,000 troops in Guatemala, El Salvador, Honduras, and Nicaragua. Costa Rica eliminated the army in 1949 but it has approximately 27,000 police, a small number of whom have received military training.

Panama, which is attending the meeting as an observer, currently has several police units created after its Defense Forces were disbanded in the wake of the U.S. invasion.

The meeting, which will end today, is being attended by UN and OAS representatives who are advising the Security Commission.

Niehaus admitted that the demilitarization issue is a "complex" one, but added he is optimistic about obtaining good results regarding reducing military expenditures at this meeting.

It is official that the Honduran Government will propose the establishment of a "ceiling" for the size of each army in the region and the banning of helicopter gunship imports.

According to military analysts, the Honduran Air Force is the best equipped of the region, followed by the Nicaraguan and Salvadoran ones, which have several helicopter squadrons.

According to an unofficial report released in San Jose, Nicaragua will present a proposal to discuss a cutback in military expenditures and in the number of soldiers each army should have.

According to what Gregorio Contreras, OAS representative in San Jose, told ACAN-EFE, the OAS will give "all the necessary cooperation" always respecting the "will" of the Central American countries.

Nicaraguan Proposal at Area Security Meeting

PA3107171090 Mexico City NOTIMEX in Spanish 1529 GMT 31 Jul 90

[Text] San Jose, 31 Jul (NOTIMEX) — Nicaragua has proposed that the Central American countries limit the number of offensive weapons and freeze the current level of soldiers and war materiel to establish a "reasonable balance of forces in the region." Nicaraguan Army Chief General Humberto Ortega, brother of Sandinist leader and former Nicaraguan President Daniel Ortega, delivered the two-page document—to which NOTIMEX had access—containing the proposal to the area's deputy defense and foreign ministers.

For the first time since the peace process began, Honduran, Nicaraguan, Guatemalan, Salvadoran, and Costa Rican officials will discuss today in San Jose, Costa Rica, topics concerning regional security, limits on weapons and soldiers, and verification formulas.

Point six of the proposal by the Violeta Chamorro government and the Army proposes limiting, controlling, and reducing the following weaponry: Any kind of military planes and helicopters, military airfields, tanks, mortars larger than 120 millimeters, self-propelled anti-aircraft weapons, multiple rocket launchers larger than 122 millimeters, heavy artillery larger than 160 millimeters, self-propelled artillery, rocket launchers installed on ships, and military vessels larger than 100-metric-tons displacement. The Nicaraguan proposal, submitted before the security commission of the second Esquipulas agreement, also calls for the suspension of the purchase of any kind of war materiel, except for ammunition and spare parts.

The proposal by the Nicaraguan delegation also contains a ban on military maneuvers in the region if foreign powers participate.

It establishes a commitment not to increase troops and to draw up inventories that specify the amount and type of weapons held by each army. It also calls for the establishment of a timetable to reduce the armed forces and defense budgets.

To verify the demilitarization plan, Nicaragua suggests that UN Secretary General Javier Perez de Cuellar and OAS Secretary General Joao Baena Soares head the commission in control of security topics.

It also advocates the signing of a friendship and nonaggression treaty among the Central American countries.

The document will be submitted for the consideration of the high commands of the Costa Rican Security Ministry and the armed forces of the other four countries that have high-level representatives in these disarmament negotiations.

Cuba

Nyerere Gives South Commission Speech

FL0108003890 Havana Cubavision Network in Spanish 2230 GMT 30 Jul 90

[Speech by Julius Nyerere at opening session of the South Commission meeting in Havana on 29 July; in English with simultaneous translation into Spanish—recorded]

[Text] Comrade President Fidel Castro, comrade members of the South Commission, excellencies, ladies and gentleman. Mr. President, today we have the pleasure of your presence. Even at this stage of its work, the Commission can greatly benefit by listening to what you can tell us about the issues we are concerned with, because even though the report is currently being printed in English and there is a version in Spanish that will be ready in a few months, we trust that the report will not mark the end of our discussions.

The Commission will cease to exist at the end of October this year, but all its members have committed themselves to follow developments concerning this work and the report and to seek different ways to promote cooperation and solidarity in the Third World. You, Comrade President, have given the Commission consistent support and have a long record of support to South-South cooperation. Furthermore, Cuba has a long history of practical solidarity and cooperation with other countries in the South, particularly when these countries are subjected to special pressures or when they face particular threats to their national integrity. This has been done despite the unrelenting attacks to Cuba's right to design its own future in accordance with its peoples' wishes.

I am sure, Mr. President, that my fellow commissioners will forgive me if I take advantage of this opportunity to express my own small acknowledgement for what Cuba did on behalf of Africa. My country is one of many countries in the South that has benefited from the services of Cuban doctors, agricultural engineers, and teachers, as well as from the large number of scholarships in Cuban learning institutions. Cuba does not appear on any international list of donors out of the many lists I have seen. [30-second transmission interruption] Cubans who answered the call for help and saved Angola from occupation. Cuban Armed Forces volunteers continued to shed their blood in Angola for freedom in Africa until last year. Today, in great measure thanks to Cuba under your leadership, Angola is free from South African attacks.

In a similar way, and as a direct result of your intervention, Namibia is today independent. And because of all these things are interrelated, the South African peoples' struggle against apartheid, the struggle against apartheid itself has progressed to a point we could have only imagined two years ago. All of Africa is indebted to you Comrade Fidel. I wish to tell you and through you to the Cuban people: Thank you. These words are inadequate but I do not know others. Thank you.

Allow me now to express on my behalf and on behalf of the members of the Commission our gratitude for Cuba's invitation to meet in Havana. I have personally experienced the warm reception and hospitality of the country. This time the reception was extended to all commissioners with the same generosity. We also have an opportunity to look at the great progress Cuba has made in the fields of education, science, technology, health, and economic investments. This experience will be very useful to us. I trust that it will be of some use to Cuba to at least get a better understanding—within the South—of the progress made by the Cuban people when implementing Cuban development strategies.

Comrade President, the South Commission, because of its composition, represents a broad spectrum of different viewpoints in the South. Among its most ardent members is Comrade Carlos Rafael [Rodriguez, Cuban vice president]. I know I am speaking on behalf of all our colleagues when I thank him for his contribution in our deliberations and the report we have drawn up. Through his quiet dignity, warm personality, and diligence he has obtained everyone's respect for him and his country.

At the end of our work, all of us, independent of our ideologies or inclinations, have arrived at certain fundamental conclusions.

First, the basis of development, the purpose, and the means of development lie on the people. Development means progress and welfare or it means nothing. The gross national product is important. We have to increase our production. But production is important only because it is necessary to guarantee the welfare of the people and the independence of our countries. It is the dignity and the human well-being of men, women, and children, and it must receive all the attention in the development of the South.

Second, we have concluded that the countries of the South have to depend upon themselves and their own efforts for development. There are and have been friendly countries in the North. We make a terrible mistake if we rely on assistance of the North as replacement of our efforts or the use of our own resources for our development.

Each country has its own problems and its own national responsibilities. The basis for a real and sustained development is that we must build national self-reliance. To the extent we have failed to do so in the past, we now have to make the greatest and most urgent efforts in this sense.

Third, the countries of the South should help to undertake joint activities for their mutual benefit—trade together, investigate together, and benefit from the theoretical knowledge of others. Through the collective

self-reliance of the South, we can all widen our development options and, at the same time, our independence in the midst of a hostile world.

Fourth, at the same time, countries of the South can work together and stand in solidarity in their dealings with the North. Collective self-reliance does not mean breaking useful links with the North. No one in the South Commission even thinks this. The North and South live on one small planet. Security and peace demand that all countries work together to reach common goals on the basis of mutual respect. The North is very powerful, and it is often very arrogant in the exercise of power. It talks of democracy and human rights. It claims to be the champion of these universally accepted values, but in international affairs there is no democracy and little consideration of the most fundamental human right, which is the right to life.

International economic order is unjust, unequal, and exploits the weak and poor. It gets capital from the poor of the South and pays capital to the wealthy of the North through the so-called market system, which is controlled by developed and rich North countries.

The countries of the South need not be helpless. They do not have to be so weak. By standing together and working together, the countries of the South could increase their collective power and, with it, their individual power. Nevertheless, the strong North works together in all its dealings with the South. But the South, which needs solidarity the most, has never worked in this way in its dealings with the North.

The Commission makes a unanimous and urgent call. All the countries of the South must work together. In international negotiations, it should leave aside its differences and support each other to defend its common wishes of development and national independence. They should organize themselves to reach this goal. Do not refuse to allow that arrogance of power is used against us separately, one after the other. Our weakness, from the economic stand, can turn into less of a weakness and then into a growing strength if we learn the elemental lesson of solidarity: United we stand.

The Commission report makes many practical suggestions. It also recommends measures in various areas. The main message is the following: Through collective national self-reliance and the solidarity of the South in its dealings with the powerful North, the countries in the South can have a dignified stand and can start to play the role we are entitled to build—a world in which justice is feasible for all the people and all human beings.

The task we have ahead is not easy. We will have to face a great opposition from those who benefit in the short-run through the abuse of their power in exploiting the poor. The future of our countries and of the South is in our hands. If we decide and organize to achieve our own development and own freedom and if we work in solidarity, there can be no doubt about the final result of the struggle ahead. We will win through a real development with freedom.

Comrade President Fidel Castro: We are very happy that you are with us here today. Now I have the honor of asking you to speak in this meeting. [applause]

Castro Discusses Report

FL3107190090 Havana Cubavision Network in Spanish 2244 GMT 30 Jul 90

[Speech by President Fidel Castro Ruz, president of the Councils of State and Ministers, opening the eighth South Commission meeting in Havana on 29 July—recorded]

[Text] Distinguished and dear Julius Nyerere, friendly members of the South Commission, distinguished [word indistinct]. I must say on my behalf and in the name of the Cuban people that we consider it a great honor to have been selected by the South Commission as the host of one of its latest meetings. This meeting is held just before the presentation of the report on the studies carried out in the past three years.

With great enthusiasm we confirmed (Mahalimon) Nyerere as president of the South Commission at the Nonaligned meeting in Harare. We appreciate his well recognized talent and vast experience as a ruler. Nyerere has an impeccable background as leader of the South and a man linked to the pains and anguish of our Third World. He has devised formulas to unite peoples in their efforts to advance toward progress and development. He also possesses the supreme quality of knowing how to unite rich and different mentalities. This was necessary to study the problems of our exploited lands which are being practically bypassed by developments in the world today.

When organizing the South Commission Nyerere confirmed the masterful handling of the issues, just as we expected he would. He gathered a group of distinguished men and women with experience, creativity, and a lot of work in their backgrounds, to work with him as members of the Commission. He thus made sure that he would have multiple viewpoints, diversity of opinions, and the necessary possibility of arguments in the debates. All this was done with consistency so as to offer us in the end an integral study as a result of their work as a group. Many of those contributing to this work will perhaps find excesses and errors in it but they must recognize they have contributed to a serious and comprehensive effort with the basic purpose of mobilizing the South, attracting attention to our problems, and consolidating our struggles. I think it has been a wise decision to gather the South Commision's reflections and debates in a single report. This was done without disregard for the isolated analysis that the Commission produced in the past years such as its report on the foreign debt and its

valuable contribution to the deliberations of the Uruguay Round of Talks [GATT]. The world needed a deep and comprehensive analysis such as this one. This report is based on our modern world reality and its unequal structure and submits the problems of the South to a collective debate.

This is the first time a collective analysis based on that perspective is presented. We all remember the Brand Report [reference unknown] that was put together with the contribution of some members of the South Commission. The problems of underdevelopment, misery, and backwardness were without a doubt very important elements in that report. But that report was written with the South as reference and not as center of the problem. This report has an additional distinction. The years the South Commission worked on it coincided with the deepest, fastest, and more complete transformation of international conditions since the world war. Our overall international relations are changing confrontation to dialogue, so much so, that some people dare to predict that the Cold War has ended or is nearing its end.

As part of that change the socialist world as such has ceased to exist. Many of its old members have taken a different path and moved closer to the capitalist system. Deep changes are taking place in the Soviet Union. These changes are accompanied by structural changes in its economy. What can the Third World expect of the new international situation? What will the role of the South be in it? As your report well defines it, the South is the largest part of the world in territory and population. The Challenge to the South [report's name] is this Commission's answer to the problem. The book will be presented to the world in Caracas in the next few days. The debate, which is of great interest to our peoples, will thus continue. The Third World is living very dramatic moments. Its reality has never before been so painful. We are ending a decade of deteriorating conditions.

In 1983, during the Nonaligned Summit in India, I presented a report on the situation and prospects of the Third World, emphasizing its most tragic profiles. We can say, and this is confirmed by the South Commission's report, that because the problems that were submitted there were not dealt with, our countries, far from progressing toward lasting solutions, are today in a more precarious situation.

During the decade of the 1980's the quality of life in underdeveloped countries [words indistinct] considerably. This is particularly so in the case of Latin America, Sub-Saharan Africa, and some Asian countries. The number of people living in the most absolute poverty has increased to 1,225 million, or 23.4 percent of the population. Nutrition levels have deteriorated with the reduction of food production per individual, as much as with the reduction of food importation. Child malnutrition—children of five years of age or less—has increased particularly in Africa. The problem affects a third of all children. Severe malnutrition levels have also increased in Latin America and Asia.

Health standards have also deteriorated. Infant mortality has increased in children of five years of age or less. The mortality rate of child-bearing women has also increased. In Latin America, the number of rural and urban populations with health facilities has decreased. Education conditions have deteriorated. The number of children between 6 and 11 years of age who do not attend school has increased to 60 million or more.

In Africa and Latin America, the levels of children attending primary schools have decreased. School dropouts—that is children who begin primary school but do not finish it—have also increased in both regions. The rural population is the sector of society that has been worst hit by the crisis of the '80's. They constitute 80 percent of those living in absolute poverty—except in Latin America where 50 percent of those living in absolute poverty are suburban populations.

Women and children make up two-thirds of the population in utter poverty. The number of abandoned children has increased dramatically during the decade. They are the so-called street children. Children have been increasingly affected by their early incorporation into the work market, criminal activities, drug trafficking and consumption, sexual exploitation, prostitution, and child pornography.

The foreign debt of the Third World has increased to a figure surpassing the 1 million, million dollars, or $1 trillion if we use U.S. terminology. Few countries in our agonizing world enjoy a positive balance of trade. In these cases the surplus is achieved by increasing the volume of exports and greatly reducing the volume of imports. This mechanism, however, reduces the standard of living of their population to unbearable levels. The level and percentage of investment are reduced accordingly.

The projections drawn up decades ago expecting export volumes from our backward regions to reach 25 percent of total world industrial exports have not been fulfilled. The inverse flux of capital has turned us into capital exporters in the past few years. Our regions have sent over $200 billion to the treasuries of developed countries. On one occasion I made some calculations to determine the extent of the present pillaging of our world. I recall, for instance, that Latin America was a net exporter of $30 billion. I tried to imagine the amount of gold taken by the conquistadores from this hemisphere over 300 years. I asked myself: How much gold are they taking out every year today? I arrived at the conclusion that each year more gold is extracted from Latin America today than the conquistadores took away over a period of 300 years. I made this calculation by converting dollars into gold at present values—the highest ever. My conclusion was that they were extracting 3,000 tons of gold from Latin America. This volume represents the net capital flux from Latin America.

The calculation made by some investigators indicates that the value of all the gold and silver that was taken

from our hemisphere throughout colonial times was less than the volume of gold, net gold, that capitalist and developed countries are extracting each year today.

Considering all these aspects, the overall view of the situation in most of our countries is one of misery, backwardness, sickness, malnutrition, and illiteracy. The remedy ideologues of developed economies present to our peoples with their neoliberal theories is one of even larger living standard reductions. Their solution will only increase income inequality and turn most of our populations into outcasts. Their goal is to achieve a false balance that will allow only a minority—those who represent the privileged sectors—to live well.

The South Commission report not only defines this drama but it also outlines prospects and offers alternative solutions. It is impossible to expect that people and their leaders will agree with a criteria that unites many different ideas. We can not expect either one of you to agree with all that is said in the report. But what is important, and the Commission presents as its major accomplishment, is that the Commission gathered in its report all that is of concern to the men and women of our nations, and because it proves that our joint efforts can open a path toward a better future.

The Challenge of the South shows that even though the South depends on the North for its technology, science, and financial capacity, the North cannot abandon the South. The North not only needs South riches, raw materials, and communications centers. It also needs our human capital because the South represents a great human reservoir.

However, decisive elements in the North continue considering countries in the South not as possible partners but as part of their unquestionable dominion. A few hours before the Houston Summit, President Bush launched what he called the initiative for the Americas. Unfortunately, the declaration provoked more irrational hopes than necessary meditation in many Latin American regions. If we make a careful study of the motives behind the Initiative for the Americas we will find the same interests manifested throughout the centuries, that is, to preserve Latin America as a U.S. privileged dominion. The hopes for debtor countries—that includes most Latin American countries—are meager, insufficient, and restricted. The freedom of trade that the Initiative proclaims will allow the better equipped economies of the north to take over the south's markets. The investments proclaimed as necessary will hand over new natural riches for the use and enjoyment of U.S. multinationals.

Mr. Bush's plan supposes the dismantling of the defenses that are essential for Latin American economies. Other parts of the Initiative only make promises—which as Bush himself recognizes—will need years of preparations and negotiations. There is a lot to say about this. I do not want to stop and analyze all these problems because you have dedicated intelligent and bold attention to all of them in the past few years.

I am grateful to you for saving part of your time during the Commission's brief stay in our country to exchange opinions on these matters and spend the necessary time for an in depth study of the issues. Many of you heard our words during the 37th anniversary of the 26 July attack on the Moncada Barracks. I will not repeat the same concepts. If I add something it is to say the following.

Our people—so slandered and persecuted by the imperialists—have undertaken a gigantic effort in the past few years. This can be proven with irrefutable figures. If we analyze the factors that separate developed countries from countries that want to develop we can point out some differences. For instance, people in countries that want to develop have a life expectancy averaging 12 years less than in developed countries. In the Sub-Saharan Africa life expectancy is 23 years less. People in developing countries eat 1,000 calories less per individual than in developed countries. In Sub-Saharan Africa people eat 1,230 calories less.

Forty percent of the population does not have health services. There are 10 times more inhabitants per doctor in developing countries—an average of 5,000 inhabitants per doctor as compared to 500 in developed countries.

In developing countries five times more children die during their first year; seven times more children die before they are seven. Twelve [transmission interrupted] secondary school. We have fought hard against all these problems in the past 30 years. It is encouraging to see that society can confront many of these problems even before reaching a great development or great wealth.

Life indicators in Cuba are higher than the averages indicated by the UN Development Program (FENUP) for developed countries—except in two areas—despite Cuba's allocation of only 25 percent of what a developed country allocate to these sectors per capita. Here we have some data:

Gross Domestic Product per inhabitant in developed countries: 10,760 [unit not specified]. Some countries earn more, some a little less. Cuba earns 2,531.

Daily calories per individual. Developed countries: 3,390. Cuba: 2,948, a little less.

Developed countries consume 32 percent above minimum needs. We consume 28 percent above minimum requirements.

Life expectancy at birth: developed countries: 74 years. Cuba: 75.

Births treated by qualified personnel: developed countries: 99 percent. Cuba: 99.8 percent.

Direct maternity death per every 1,000 live births: developed countries: 24; Cuba: 29.2, a little more.

Inhabitants per doctor: developed countries: 500. Cuba: 300.

Adult illiteracy: In developed countries there are sectors.... [changes thought] The number is large in the United States among illiterates and what they call functional illiterates. In Cuba 98 percent of the people can read and write.

Net attendance to primary schools: males: in developed countries: 97 percent; Cuba: 100 percent. females: developed countries: 97 percent; Cuba: 100 percent.

Percentage of children who drop out of primary school including those who do not finish it in time: developed countries: 11 percent; Cuba: 7 percent.

Pupils per teacher in primary school. developed countries: 19; Cuba: 12.3.

Gross schooling in secondary levels: males: developed countries: 90 percent; females: 93 percent. In Cuba: 94 percent.

This is why we passionately defend the revolution and its victories. These figures show how a country can develop in the midst of poverty. As comrade Nyerere says: The important factor in development is the human factor, the people. Many countries speak about development but cannot show any social developments.

I would only want—so as not to extend my speech too much—at the beginning of the South Commission meeting in Cuba, to reiterate to you our recognition for the past three years of continuous work, for your treatment and mobilization of South's potentials, for the arguments you will hand in to the world opinion in the form of a book in Caracas. I reiterate our respect for your cooperation toward solving the problems of the south and the world as a whole.

It has been said in the past few days that it is premature to consider that the Cold War has ended. Even though the threat of conflicts between nuclear powers has been averted and the world has entered a period of constructive dialogue, many problems remain. These problems are discussed by the South Commission. The problems created by local conflicts and the threat of wars in many parts of the world are not small issues. However, the most serious situation is a result of the inequality prevailing between developing countries and those countries that strive to find a way for development in the South. We understand that such development—as established by the South Commission—is a process of continuous and self-sustained growth achieved with the participation of the people in defense of their interests.

Such a development should have the end of poverty as its main objective. You have considered this appropriate. This is the goal our country seeks, and is, fulfilling. The revolution, the final stage of which began 30 years ago but which has been fought over one and one-half centuries by successive generations of Cubans, is our most outstanding contribution to the cause of the South. To try to develop and enrich it with all its potentials is our duty and our commitment. We ratify this today and we inaugurate the eighth period of work of the South Commission. Thank you very much.

Meets With South Commission Members

FL0108005790 Havana Television Service in Spanish 0000 GMT 1 Aug 90

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, received this afternoon the members of the South Commission. This group just concluded its eighth meeting in Havana where the final touches were given to the report that sums up three years of research on the Third World's socioeconomic problems. This document will be released in Caracas on 3 August. The report includes a paper by Julius Nyerere, chairman of the South Commission and of the Tanzanian ruling party, which says the unity of underdeveloped countries is the only way to face development and talks with industrialized countries of the North.

U.S. State Department Blocks Book Exposition

FL0108011190 Havana Radio Rebelde Network in Spanish 2300 GMT 31 Jul 90

[Text] The Cuban Book Institute announced today that the scientific and technical book exposition of the U.S. publishing house McGraw Hill, which was scheduled for 8-19 August at the Imago Room of the Great Theater of Havana, was canceled because of measures adopted by Washington. According to reports given to the Cuban Book Institute by the publishing house, the cancellation took place because the U.S. State Department denied permission for the exposition to leave for Cuba. This U.S. Government measure is in open contradiction with the principles of the free flow of ideas and exchange of information, which constitutes a universal cultural precept.

Montane Conveys Castro Greetings to Kim Il-song

FL0108021390 Havana Radio Reloj Network in Spanish 0203 GMT 1 Aug 90

[Text] Jesus Montane Oropesa, member of the Communist Party of Cuba [PCC] Central Committee, has conveyed to Kim Il-song greetings and solidarity with the Korean cause from Commander in Chief Fidel Castro. Montane, who is heading a PCC delegation, was received by Kim Il-song in a cordial and friendly atmosphere in line with relations between two friendly countries.

The Cuban mission visiting Pyongyang at the invitation of the Korean Government and party, attended the activities held for the 37th anniversary of the attack on the Moncada Barracks. This occasion, which marks the day of the Cuban national rebellion, has been celebrated in various countries. Solidarity messages with the Cuban

revolution in its struggle for the construction of socialism have been read during those events.

* Oil Pipeline Network, Facilities Detailed

90CA0069A Havana BOHEMIA in Spanish 8 Jun 90 pp 20-25

[Article by Fernando Davalos]

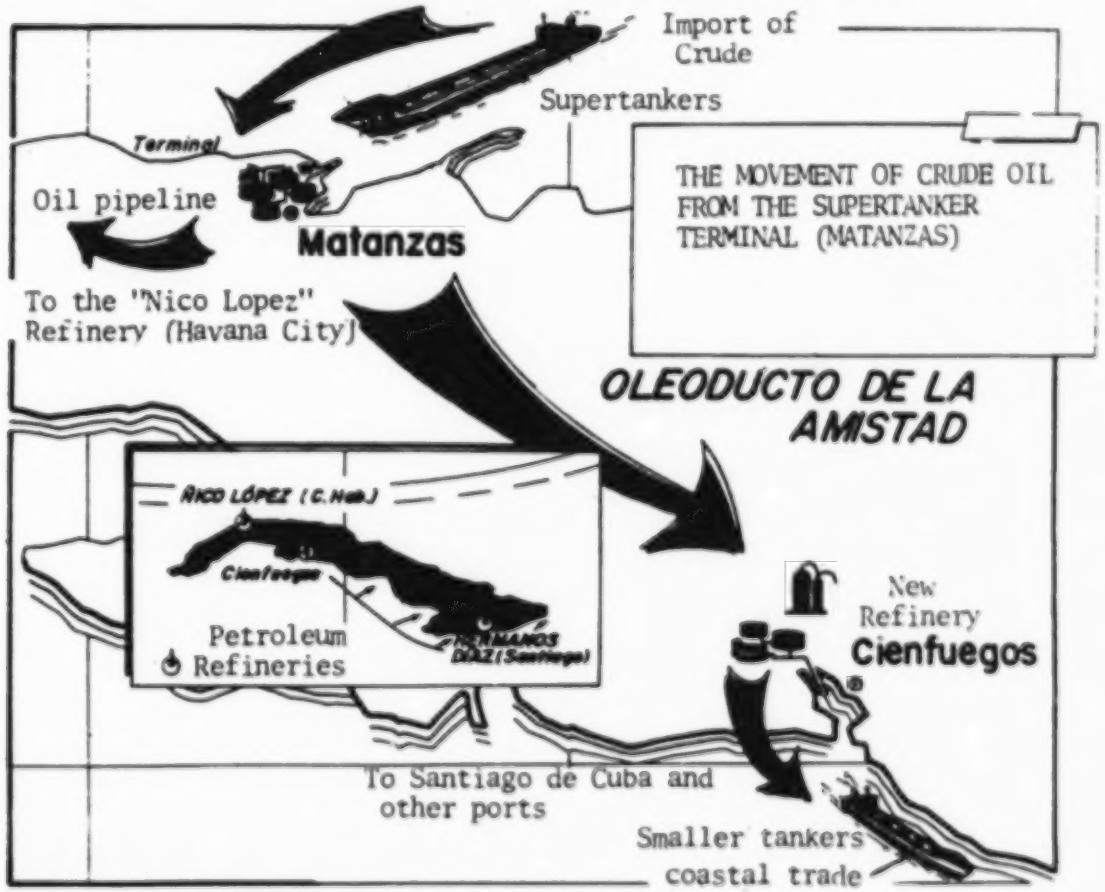
[Text] By the time this edition of BOHEMIA is in circulation, the finishing touches will be going on the largest fuel pipeline ever built in the country. We are talking about the "Amistad" oil pipeline, which Soviet and Cuban specialists and workers are laying between the Matanzas petroleum terminal and the new refinery on Jagua Bay in Cienfuegos, the first stage of which is also being completed.

The enormous pipeline, which is more than a half-meter in diameter (exactly 530 millimeters) and 187 kilometers long, will move 6.7 million tons of oil a year at its initial operating volume. The oil will wind up at Matanzas harbor, where Soviet supertankers will be, and in fact already are, docking at the brand-new terminal that has been built here on the western shore of Matanzas bay. The bay is well protected from the fierce northern winds and has adequate depth. Remember too that this bay, which is open, not enclosed, is one of the deepest in the country, a fact that was taken very much into account in the decision to build the supertanker berths here.

The building of the Amistad pipeline is a major step in the development of this terminal in Matanzas, which in turn is an essential component in the strategy of the crude oil industry, and in distributing the oil to consumption centers in much of the country.

Economies of Scale

Since money had to be saved in transporting crude oil to Cuba, mainly by using vessels of higher tonnage (supertankers), a maritime terminal that could handle these enormous floating containers had to be built and a new, streamlined nationwide network for distributing the fuel



had to be put together. Such a network also had to meet the requirements of the economic strategy for this vital sector, run by the Ministry of Basic Industry (MINBAS). These requirements stemmed mainly from the rise in the demand for oil as new industries have emerged and standards of living have risen.

Owing to the gradual, but very vigorous economic expansion that has taken place over the years, the crude-oil refining capacity of our two existing plants (Nico Lopez in Havana, and Hermanos Diaz in Santiago) had to be increased. In particular, however, major new investments were needed to build another refinery complex. Because of its technological characteristics and the destination of its output, among other factors, a decision was made to locate it along the southern coast, that is to say, by Cienfuegos Bay. This new refinery, which is where the Amistad Pipeline will end, will be able to process up to three million tons of crude oil during its early years (it is scheduled to start up in 1990) and will double that amount subsequently.

Most of the petroleum that this enormous, modern petrochemical industry will process will come from Matanzas, although it will also have berthing facilities to receive large fuel shipments directly. These port facilities, which are adjacent to the plant, will normally serve to ship the oil pumped in from the Matanzas terminal southward to the Santiago refinery and other consumers near the southern shore of several provinces. This coastal shipping on shallower-draft, lower-capacity vessels is precisely one of the advantages of the supertanker terminal, the Matanzas oil complex, the use of transoceanic supertankers themselves, and the long inter-province pipeline now in the final stages of construction.

We should not forget that the ports where Cuba's refineries are located (Havana, Santiago, and now Cienfuegos) are not deep enough to handle these vessels. The size of the tankers supplying this vital product is thus limited, and, consequently, both Soviets and Cubans fail to enjoy the not-so-negligible economies of scale arising from larger capacities. The only vessels that can dock at Nico Lopez or Hermanos Diaz are 10,000, 20,000, or at the most 30,000-ton vessels. Thus, for years additional vessels had to be chartered to carry the same amount of fuel. Now, however, in keeping with the current strategy, vessels of this size will be the ones to carry crude oil along our coasts, thus gaining additional economies of scale.

Distribution System

Under the planned system, fuel will be distributed by coastwise shipping to consumers along the northern shore, such as the nickel complexes in northern Holguin, the thermoelectric power plants in Nuevitas or Felton (the latter is under construction), and others. Much of the crude oil that the Nico Lopez Refinery will process will come from Soviet supertankers, but it will also be supplied by a new pipeline almost 100 kilometers long on which studies, prior to the start up of work, are now being conducted. Nonetheless, this major capital-city refinery will retain its capacity to receive and, eventually, to transship crude oil by sea to whatever destinations are necessary.

As we can see, the Amistad pipeline plays a fundamental role in our modern system of taking in, storing, distributing, consuming, and refining crude oil and its derivatives. Even if the system that the country has employed so far is not shut down, the north-south overland transshipment of oil will boost the efficiency of the national petrochemical complex, which will then be able to meet the new demand for fuel (which will not be wasted) determined by the country's economic development plans. Seen in this light, the new network of hermetic pipelines will save Cuba the equivalent of one oil tanker a day carrying fuel from Matanzas to Cienfuegos. Hence the title of this article.

The Amistad pipeline has its costs, of course, but it is unquestionably much more economical than shipping mounting volumes of fuel only along the coast. The aforementioned technical and economic considerations were borne in mind in choosing Matanzas, rather than other ports, as the starting point of the pipeline. Its large, open bay is deep enough for supertankers carrying the imported oil. Furthermore, we should keep in mind that it is near several major consumption centers, such as Havana, the thermoelectric power plants east of Havana (whose generating capacity will hit 1.3 million kilowatts in coming years), and, somewhat further away, the Mariel and Cienfuegos power plants, all of which are very large, besides other industries and service and population centers. By building the supertanker terminal, the storage tanks, the pump houses, the oil pipeline, and the entire Matanzas complex here, the country is also taking advantage of the region's electric-power and road infrastructure, not to mention the experience in construction. It is no cure-all, however.

Protecting the Environment

The proximity of marvelous Varadero Beach, our number two international tourist spot, was a serious constraint on the Matanzas project. It could not have been otherwise, given the latent danger of an accidental oil spill. Protecting the Blue Beach became a top priority in pursuing this investment project. Diligent and rigorous oceanographic research showed, however, that the prevailing marine currents were east-west, not west-east, which would have been dangerous (Matanzas Bay is west of Varadero). It was precisely this direction of the ocean current which had dictated additional precautions in the Paso Malo Canal, linking Cardenas Bay with the northwest shore of Matanzas, where Varadero is located. There was the danger of a spill from oil prospecting and development work taking place here along the coast, on land, and soon offshore, as reported recently by the press.

Mounting efforts to find hydrocarbons are currently under way in the eastern half of the north shore of Matanzas Province, where the ocean currents head west. Hence, stiffer technical requirements were placed on drilling here, and as many as seven oil-slick confinement devices were installed in Paso Malo, as well as a lock (the

first of its kind in Cuba), and the lift bridge now being completed at the entrance of the coastal resort of Varadero.

For the time being, small coastal vessels will carry the oil extracted throughout this northeast zone to the Matanzas oil complex. In spite of the favorable natural conditions here, safeguards and standards of technical discipline have been toughened at the complex, where a fuel-oil distribution device has also gone on line.

Our government has boosted funding for this purpose and has drafted a contingency plan to deal with possible spills and other accidents. Taking part in the plan are the MINBAS groups that run these installations and other economic, military, political and Civil Defense agencies of the province of Matanzas. The plan has been gradually honed and has been putting its equipment to the test so that it can tackle any problem that might arise.

[Box, p 22]

Soviets and Cubans

The Amistad pipeline is an illustration of Soviet-Cuban internationalist solidarity and an example of brotherhood among the nationalities in the Soviet Union.

A brigade of 400 Soviet specialists and laborers worked here. These highly skilled and experienced workers in different disciplines and trades were sent from the Moscow-based Zarubezhneftgazstroi enterprise (overseas pipeline construction). Working alongside it, was another brigade consisting of some 300 engineers, technicians, and laborers from the Pipeline and Tank Construction Enterprise of MINBAS.

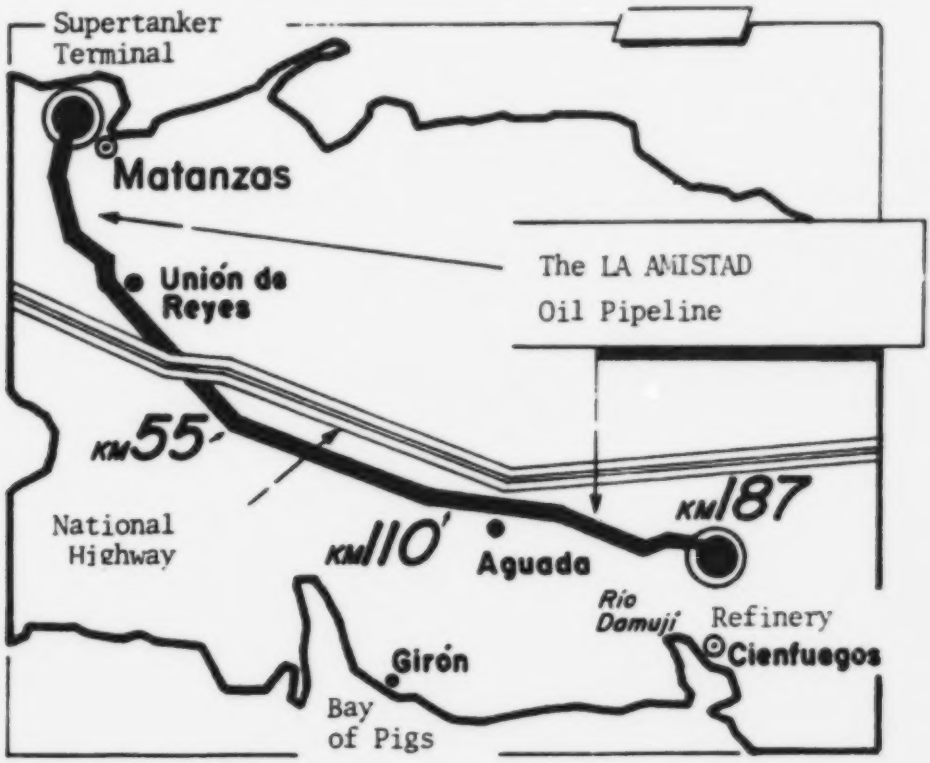
The Soviet group was hard-working, technically rigorous, enthusiastic, and tireless in discharging its responsibilities. And so were their Cuban comrades. The two groups exchanged experiences and worked together closely.

[Box, p 23]

Sheer Hard Work on the Pipeline

The obstacles that the 187-kilometer Amistad pipeline between Matanzas and Cienfuegos was up against were neither few nor simple. In the judgment of Soviet experts and workers, the hardest part was the 105 kilometers of rocky, uneven soil that they encountered along the way. It forced them to use dynamite and pneumatic drilling on a massive scale. Doing it the hard way.

Khristonov Konstantin, the engineer who was the technical foreman of the project, confessed to us that although the Soviet designers had taken into account



Cuba's climate in designing the pipeline and scheduling its construction, they did not realize what a huge obstacle this rocky stretch was going to be, as it overshadowed the crossing of rivers, streams, and roads. The mass of rock made the work go slower, but it was ultimately surmounted.

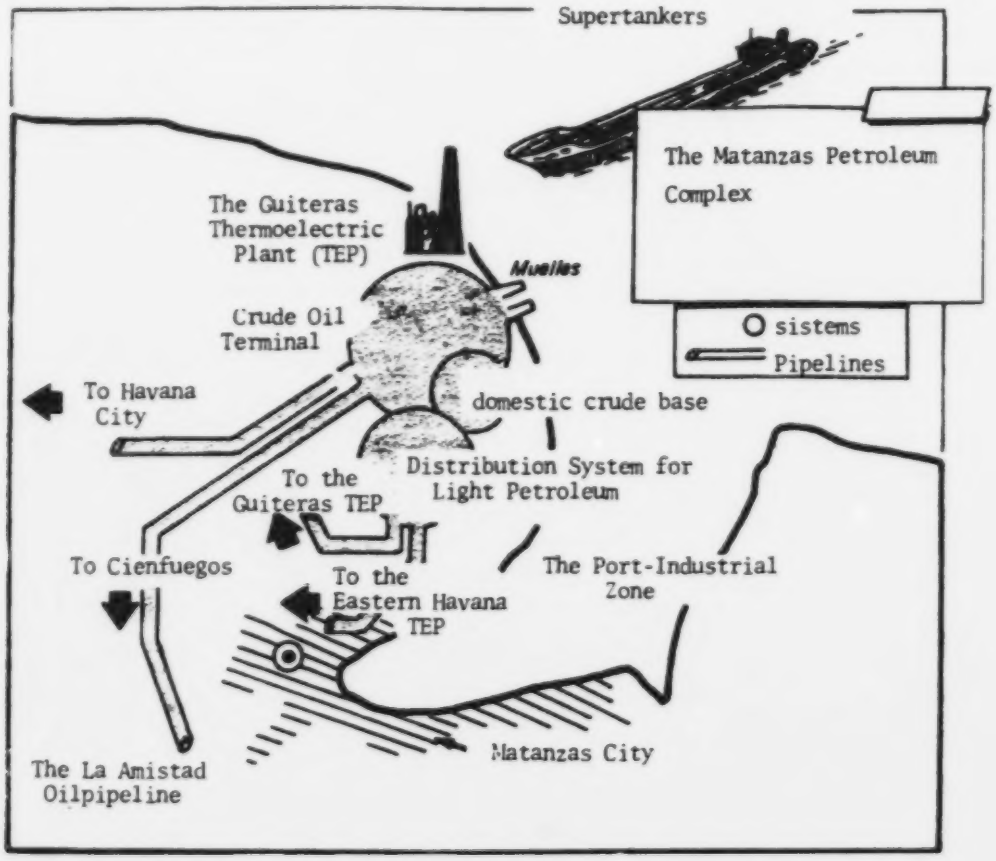
Technically speaking, the most complicated part was crossing the broad Damuji River in two places, as is required in this type of project, so there would be one main and one reserve route. But this crossing was taken care of too, just as the San Agustin, San Juan, and Yumuri rivers near the city of Matanzas were traversed, as well as other smaller, streams numbering no fewer than 54 all along the pipeline to Cienfuegos.

Other obstacles were overcome as well, for example, the ridges near Matanzas and 49 roads, including Via Blanca and the National Highway, which are almost at the end of the pipeline. Twelve national railroad lines and sugarcane networks had to be crossed as well.

The project entailed opening up a swath 23 meters wide and digging a ditch 1.8 meters deep and 1.05 meters across along the entire route. A bed of soft earth all along this long fissure was prepared to hold the pipeline, which was insulated with tape to protect against corrosion and then made watertight. Both the laying of the pipeline and the taping were done mechanically. Additional protection against blows and comprehensive corrosion-protection stations were also installed on the pipeline.

Soldering was a key operation. Twelve-meter sections were joined together at the Matanzas base to form the 36-meter segments that were laid down and then welded together. Three-quarters of the 16,000 welds were done at that end of the pipeline on a specially prepared high-pressure bench using a semi-automatic soldering-wire system. The rest were done on site all along the pipeline. The quality of the welds was checked radiographically.

The pipeline will have 22 fluid-cutoff installations (valves), which will be governed automatically from the command room through a cable buried alongside the tube. Moreover, as we have seen, the pumping will be done from the Matanzas base. Over the next few years, however, as the amount transported exceeds 10 million tons, another station will be needed, and it will be built in the Torriente area in the southern part of Matanzas Province.



[Box, p 24]

The Matanzas Petroleum Complex

The Matanzas petroleum complex comprises three parallel technological systems. One takes in, stores, and pumps imported crude to the Cienfuegos and Havana refineries. Another does likewise with fuel-oil, which it receives from our own refineries and from overseas, sending it through pipelines to the Santa Cruz del Norte thermoelectric power plant 48 kilometers away, and to the Antonio Guiteras thermoelectric power plant some five kilometers off. And last there is the domestic-crude base, which currently uses a battery of old facilities at the port of Matanzas but which will be modernized over the coming years. This natural fuel is earmarked today for the small Jose Marti thermoelectric power plant nearby.

The fuel-oil base makes use of a wharf in the Bayona zone, the port, and it is scheduled to be linked up with a set of tanks now under construction. The wharf can accommodate vessels of up to 45,000 tons, and its overall handling capacity is estimated at a million tons a year. This modern facility now under construction and the domestic crude-oil base itself, which is being enhanced, do not compare, however, with the vast and complex supertanker terminal proper.

It already has three deep-water wharves in operation, and they are capable of accommodating vessels of up to 150,000, 70,000, and 35,000 tons respectively. During this initial stage and until the land-based storage tanks and pipelines are completed, the two larger piers are being used; they allow the fuel to be transferred from wharf to wharf (from a supertanker to a smaller-tonnage vessel for domestic coastwise distribution). The moorings of the third wharf are already up, and it will be joined to land later as construction moves ahead, in accordance with a project by Cuban specialists.

The land-based projects include ten 50,000-cubic meter tanks, the pumping and circulating systems, fire protection, waste-product treatment, rainwater drainage, andother infrastructure. Although the facility as a whole should be completely in place by next year, the builders, fitters, and equipment operators are working hard on what is being called the minimum start up complex, which will enable the facility to go on line at a lower level of activity and the Amistad pipeline to begin carrying oil. This dovetails with the first phase of the Cienfuegos refinery, scheduled to start up in the second half of 1990.

The Fourth Party Congress Contingent is at work on these projects, with the minimum start up complex being given priority. It is working on the pipeline pumping plant, the auxiliary-fleet wharf (the base of the bay clean up vessels, the tugboats, and the fire-fighting boats), and other fronts. The productivity reports illustrate the efficiency of this contingent of builders (some 700 of them). In 1988 the per-man yield was 475 pesos a month; the following year this indicator jumped to 602 pesos. This is partly due to the reduction of the work force from 1,500 men to less than half that. The assembly work is being done at this base by men from the MINBAS Pipeline and the Tank Construction Enterprise, who are also demonstrating a spirit of self-sacrifice and mounting efficiency.

The supertanker base, of French-Yugoslav design, has already seen close to 1.5 million tons loaded and unloaded since it went on line a little over a year ago.

Inter-Caribbean Affairs

Salinas Condemns Events in Trinidad and Tobago

PA3107185090 Mexico City NOTIMEX in Spanish 1700 GMT 31 Jul 90

[Report by Mariana Pliego]

[Text] Kingston, 31 Jul (NOTIMEX)—Mexican President Carlos Salinas de Gortari said here today that it should not be possible for any group to threaten the democratic life of a country like Trinidad and Tobago through terrorism and kidnapping.

While speaking at the eleventh meeting of the Caribbean Economic Community (CARICOM), he commented on the events taking place in Trinidad, saying that the region has an unavoidable commitment to democracy and justice in established institutions.

Salinas added: "Mexico categorically condemns the deplorable events taking place in Trinidad and Tobago and demands the immediate release of Prime Minister Arthur Ray Robinson and of the Cabinet members. Mexico offers its support and solidarity."

Salinas said it is up to the people to decide which government and authorities they want, adding: We cannot allow any group to threaten a nation's democratic life by means of terrorism and kidnapping.

Salinas de Gortari will end his two-day visit to Jamaica today. He participated in the inauguration of the eleventh meeting of CARICOM member countries during which he advocated reforms and the strengthening of the region's economies.

Charles 'Welcomes' News of Robinson's Release

FL3107200490 Bridgetown CANA in English 1954 GMT 31 Jul 90

[Text] Kingston, Jamaica, July 31, CANA—Dominica Prime Minister Eugenia Charles on Tuesday welcomed news of Trinidad and Tobago Prime Minister A.N.R. Robinson's release from captivity, saying she hoped the release of the other hostages would quickly follow. Charles, here for a Caribbean Community (Caricom) summit, said with the release of Robinson, it should be easier for the authorities to work out arrangements for the release of the other hostages, including some Cabinet ministers held with Robinson since a coup attempt last Friday night by Black Muslim rebels.

Caricom Leaders Condemn Events in Trinidad

FL3107205790 Bridgetown CANA in English 1945 GMT 31 Jul 90

[Report by Peter Richards]

[Text] Kingston, Jamaica, July 31, CANA—From the opening prayer to the last speech, the seizure of Trinidad and Tobago Prime Minister A.N.R. Robinson by radical Muslims took centre stage when the annual Caribbean Community [Caricom] heads of government meeting began here Tuesday. Robinson's plans for attending the summit were shattered Friday when members of the Jamaat al Muslimeen stormed the Parliament building, seizing him and several other parliamentarians.

President of the Caribbean Council of Churches (CCC) Reverend Richmond Nelson in his prayer during the opening ceremony said: "Our hearts are sad at the events in Trinidad and Tobago....

"We lift up in our prayers the prime minister and all those who have been held captive."

Caricom Secretary General Roderick Rainford said that the summit will also be clouded by the events unfolding in the twin island Republic.

"I do not believe that there will be one moment during the conference that the thoughts of all the delegations will not be on Trinidad and Tobago while the situation lasts," he said.

Jamaica's Acting Prime Minister P.J. Patterson said that the events in Trinidad and Tobago "are a stern reminder of the necessity for the preservation of our democratic traditions".

"Caricom has already stated its condemnation of these tragic events. We in Caricom will render all assistance Trinidad and Tobago needs.... insurrection must never be allowed to succeed," he added.

Grenada's Prime Minister Nicholas Brathwaite referred to the hostage-takers in Trinidad as a "radical group trying to reverse the democratic process in the region." In 1979 Grenada became the first English-speaking Caribbean island to have its elected government toppled by a coup. Brathwaite said the events in Grenada which ended with a United States led invasion of the island "will never ever happen in Grenada again."

But perhaps the most scathing attack on the Black Muslims in Trinidad and Tobago came from Barbados Prime Minister Erskine Sandiford. Sandiford referred to the attempted take over of the country as " a monstrous assault on our democratic, parliamentary institutions."

"The criminal violation of democracy and human rights in our region is outrageous and repugnant," he said.

Sandiford said that when the leaders began arriving here for the summit, "we never expected that the peace and stability of the Caribbean would have been shattered, not by any economic catastrophe or drought, but by an act of criminal terrorism committed by a handful of ideological fanatics."

He asserted that the coup attempt in Trinidad and Tobago "has great implications for the security of all Caricom states".

Sandiford called for a widening of the Barbados-based Regional Security System (RSS) involving the security forces of a number of small Caribbean countries, commenting: "No-one can deny now that closer co-operation in security matters among the member-states of Caricom is a crying necessity."

"Our strength will be our unity," he added.

"The preservation of law, order and national security contribute uniquely to growth and development through the promotion of stability. We must therefore expand our integration efforts to include the area of regional security," the Barbadian leader told the summit.

Belize Prime Minister George Price, attending his first summit since being re-elected last year, said that his country condemned the attempted coup.

"We condemn the assault on democracy," he said.

Mexico's President Carlos Salinas de Gortari also made reference to the situation in Trinidad and Tobago while addressing a special encounter of the Caricom summit. He called for the release of Prime Minister Robinson and the other hostages, adding that he was in solidarity with the Trinidad and Tobago government.

Dominican Republic

* Falconbridge Reports Production, Earnings

90CA0075C Santo Domingo LISTIN DIARIO in Spanish 22 Jun 90 p 1-D

[Text] Falconbridge has informed the Dominican Government that its income this year has fallen short of the amount estimated, as was learned from well-informed sources.

It was claimed that the information was submitted to the Central Bank, the agency that is studying it.

The amount of the official projection recently reported to the government by Falconbridge is not known, but the company has already stated publicly that its income has declined drastically.

According to the firm, within the first four months of this year profits declined to $1 million.

As the company reports in its bulletin EL PUENTE-HALCON [Falconbridge], during this four month period, beginning with the first of the year, the government received $28.1 million.

Last year the government received $150 million from this company.

At the end of last year the company published a worldwide notice, signed with other nickel producers, announcing a joint plan to cut sales for a while in order to observe whether the market would recover from the collapse that it had been suffering.

From its $6.00 price it had gone down to $2.80 per pound, but the price later rose to over $4.00.

Company executives came to the country and, during a meeting with President Joaquin Balaguer, they explained the prospects to him.

During the first four months of the year the firm produced 21,434.21 lbs. of nickel, with the largest volume yielded during March, totaling 5.6 million lbs., and the smallest in January, totaling 4.7 million lbs.

The shipments made during the period totaled 25,090,464 lbs., with the largest volume shipped in March, totaling 9.2 million lbs., and the smallest in April, totaling 4.2 million.

As for the taxes paid to the treasury, they were distributed in the amounts of $9.29 million in January, $6.10 million in February, $6.8 million in March, and $5.96 million in April.

* Fuel Shortages Hit Power Industry

90CA0075B Santo Domingo EL NACIONAL DE [AHORA] in Spanish 2 Jul 90 p 4

[Text] The electric power supply became worse at the start of the work week, with 66 percent of the power units shut off, some for lack of water and fuel, and others for [lack of] maintenance.

This morning, 13 of the 16 plants remaining on line were operating below capacity in order to save "C" bunker fuel and gas oil, according to a report from the Dominican Electricity Corporation (CDE).

The Falconbridge units have been out of service since Saturday in order to have them undergo a maintenance process that will last about 15 days.

At mid-morning today CDE was generating only 357,000 kw, at a time when the demand is 750,000 kw, increasing by 100,000 kw during the night.

In addition to the Falconbridge plants, Puerto Plata II, Santo Domingo V, and the two turbo-gas plants at El Timbeque remain shut off.

The fuel oil shortage forced CDE to reduce the generation from the two Itabo plants, the three Haina plants, and the San Pedro de Macoris and Wartsila plants.

The low level of the dam reservoirs has required CDE to leave only three of the 12 hydroelectric plants in service, with a production of only 21,000 kw. These units have a capacity to generate over 200,000 kw.

CDE has for some time kept the two Los Minas turbo-gas units, the San Pedro de Macoris and Barahona units, the Haina II and IV thermal plants, and the Puerto Plata I and Santo Domingo VI and VII plants shut off. Nine hydroelectric units have also been put out of service.

CDE's low production, caused by lack of fuel, resulted in the fourth blackout of the year yesterday, as Itabo technicians were attempting to put the number 2 unit of this complex into operation with coal.

Itabo II operates with coal or oil. It consumes about 5,000 barrels per day of [oil] which CDE purchases for almost 100 pesos.

Last weekend the population suffered from blackouts, lasting as long as 15 consecutive hours during the different work shifts in some sections.

* Electricity Shortage Worsens

90CA0075A Santo Domingo EL NACIONAL DE [AHORA] in Spanish 26 Jun 90 p 5

[Text] Last night power generation suddenly dropped to one third of the national demand, when Itabo I went out of service; while Itabo II and Haina III, which together produce over 200,000 kw, remained cut off.

Nevertheless, the Dominican Electricity Corporation (CDE) promised that the plants at the Itabo complex would be reincorporated into the system before noon.

Itabo II was cut off at dawn Saturday to be subjected to cleaning and other work, so that it could operate with coal again. CDE had promised to reincorporate it into the system early Monday morning.

At mid-morning today CDE was generating about 350,000 kw, over 20 percent of which is being lost in the distribution system. The demand is estimated at approximately 750,000 kw.

The deterioration in the electric power supply became accelerated before last night, with the shutdown of the Haina III system. When Itabo I went off-line much of the capital was left in the dark until midnight.

Over a large portion of the country, at least three power failures occurred between 1700 and 1900 hours yesterday. Many districts in the upper part of the capital awoke with a blackout, remaining without power until 1000 hours.

The situation has not degenerated into a total collapse of the system because the rainfall during the past few days has filled the dam reservoirs.

The serious condition of the power supply is occurring at a time when CDE is preparing to install three new electrical units: two in Los Minas and one in Puerto Plata.

CDE also intends to rehabilitate the Haina units that have cut their production because of the advanced process of deterioration which they are undergoing.

Although the reason for last night's cut-off was not explained, it was claimed that some cleaning work similar to that done at Itabo II had to be performed.

Several tons of coal and oil cinders were extracted from Itabo II. This thermal unit, with a rated capacity for generating 125,000 kw, produces power using those two fuels alternately.

CDE intended to do the cleaning in order to increase the Itabo II generation to 110,000 kw, and to start it generating with coal, which is more economical.

For lack of cleaning, this thermal unit had operated for several months exclusively with fuel oil, consuming about 5,000 barrels per day.

Haiti

PDCH's Claude Says Elections Before Justice

FL3107174090 Port-au-Prince Radio Metropole in French 1600 GMT 30 Jul 90

[Italicized passages in Creole]

[Excerpts] Elections before justice is today the position of the Reverend Sylvio Claude, head of the Haitian Christian Democratic Party [PDCH]. [passage omitted]

Sylvio Claude explains that one cannot speak of justice today, because the judicial apparatus is today corrupt. The PDCH leader calls for a mobilization for elections in Haiti. He says such elections will promote the advent of a definitive government that will be able to make profound reforms in the sphere of justice. Here is Sylvio Claude.

[Begin Claude recording] *I am here today to say that justice is impossible in the current situation. Only a definitively established government with popular legitimacy can provide justice.*

Why? Because not a single one of the current judges is serious. All of them are corrupt. I make no exceptions whatsoever, and I am going to tell you why.

The police cannot arrest anyone, and there are no judges to hold trials. All of them are corrupt. Just listen to this: If the General Tax Directorate [DGI] filed suit against Roger Lafontant one year ago, and the complaint is in the hands of an examining magistrate, and yet Lafontant managed to enter Haiti and the judiciary did not take advantage of the opportunity to take action on the legal suit in question.... [changes thought] DGI cannot be making a mistake when it says that Lafontant stole government money and files suit against him. An examining magistrate has the complaint, yet Lafontant comes into the country and nothing is done. They are missing the point. The police do not want to arrest him. There are no judges.... [changes thought] If no judge is willing to take action on a suit brought by the government against a thief, what kind of justice can you expect? Who is going to give you justice? That is what I would like those men.... [changes thought] Is it that they do not want elections? Or do they want to destroy the country? That is one thing. [passage omitted]

Listen friends, who is going to arrest Claude Raymond, [Alphonse] Lahens, [Jean] Theagene, and Clovis Desinor for killing people on 29 November [1987], huh? Who? And even if they were to be arrested, who is going to try them? That is a moot point, gentlemen. You know full well trials are not possible right now. [passage omitted]

Even the electoral council, which is supposed to hold elections, is saying there must be justice first. Who is going to dispense this justice? Is it they who are going to set themselves up as a tribunal? This is something I just cannot understand. It looks as if there is some kind of plot going on under the table to keep the country from getting out of the situation it is in.

I would think that all those people, since they constitute a force... . [rephrases] We should join all our forces together so as to render the Macoutes impotent. Gentlemen, group yourselves together, put your heads together to constitute a force to rapidly bring about elections which will put a serious, solid government into power; a government that will fire all those vile crooks and effect reforms in Haiti. Then we can try the bums who caused disturbances.

Right now, however, we cannot do a thing. If you ask for justice, who is going to give it to you? There is no one to give it to you. So, you are just employing stall tactics. It must be that you do not want elections. [passage omitted] [end recording]

RDNP's Celestin Interviewed on Manigat's Return

FL3107172090 Port-au-Prince Radio Nationale in Creole 1300 GMT 31 Jul 90

[Excerpts] Former Haitian President Professor Leslie Francois Manigat is returning to Haiti today, 31 July, at approximately 1600. This return is giving rise to much comment. Many political leaders feel it is all right for him to return, but not to run for office in the elections scheduled for November 1990. [passage omitted]

A press release sent to us by the Ministry of Information and Coordination states that in a letter sent to provisional Haitian President Ertha Pascal Trouillot on 24 July 1990, the Assembly of Progressive National Democrats [RDNP] informed Mrs. Trouillot of the former president's return, and that all the formalities to receive Manigat as a former chief of state have already been prepared.

We interviewed Martial Celestin, second in command of the RDNP. He will take advantage of this opportunity to deliver a message to the population of Haiti on the occasion of Manigat's return this afternoon.

[Begin recording] [Celestin] We are inviting the Haitian people—everyone who wishes to, who likes the chief.... [rephrases] the professor—to come applaud him along the Airport Road. [passage omitted]

[Reporter] Mr. Celestin, you made a statement that was carried by LE NOUVELLISTE in which you said the electoral law targeted former President Leslie Manigat. Can you give us a further explanation of that statement?

[Celestin] No, it is the general public that is saying that—saying that the law targets President Leslie Manigat. I myself do not think so. I do think, however, that the law has its defects; defects which perhaps require that the different political parties say something about the law. It is not a matter of Manigat.

Now, there is one thing: A few people among the population have indeed said that he has not resided continuously in Haiti for one year. Well, in that same way, neither has Hubert de Ronceray [head of the Mobilization for National Development] resided continously in Haiti for one year; nor has Dejoie [Louis Dejoie, head of the National Agricultural and Industrial Party] for their residency was interrupted when Avril beat them and threw them out of the country. They later returned, but a year has not yet elapsed since their return. Thus, this is a rule that is not applicable to either De Ronceray or Dejoie or Manigat, for not one of them has ever elected residency abroad. [passage omitted]

However, there is a contradiction in the electoral law. [passage omitted] There is an article that says that if the CEP, electoral council, has the means to do so, it will have Haitians residing abroad vote. Right? If Haitians residing abroad can vote, then candidates from abroad cannot be shunted aside. [passage omitted] [end recording]

There you have it. In any case, Professor Leslie Francois Manigat is scheduled to return home to Haiti at around 1600 on American Airlines.

AC Issues Memorandum on Political Situation

FL3107120790 Port-au-Prince Radio Metropole in French 1600 GMT 27 Jul 90

[Text] In connection with the preparation for coming elections, the Assembly for Concerted Action [AC] has issued a memorandum on the political and human rights situation in Haiti.

After discussing the cases of Roger Lafontant and Williams Regala, the AC says it is urgent for the Haitian Government to initiate an adequate policy of justice. This is a necessary prior condition to give the population confidence and, at the same time, encourage it to participate in the future elections. Otherwise, the AC continues, there will be very little participation in the elections, and out of these elections will come a government without popular legitimacy— a government that will for that very reason be incapable of successfully carrying out the program of reforms the nation has been waiting for since 1986. Thus, political instability will increase to the detriment of democracy and human rights.

The AC invites Haiti's friends to help the Haitian people initiate the policy of justice desired as an essential step toward a freely elected democratic regime.

Trinidad and Tobago

Rebels Demand Mediation of Carter, Jackson

PA3107180590 Mexico City NOTIMEX in Spanish 1736 GMT 31 July 90

[Text] Port of Spain, 31 Jul (NOTIMEX)—The rebels who are holding Trinidad and Tobago Prime Minister Arthur Ray Robinson hostage today requested the mediation of former U.S. President Jimmy Carter and of black leader Jesse Jackson to release the hostages.

Yasin Abu Bakr, leader of the Muslim rebels who are holding Robinson and other government officials hostage, requested the mediation of the U.S. politicians because, he said, he did not find anybody in the government with whom he could talk.

Bakr said: "We would like Carter and Jackson to get in touch with us in order for them to find the government officials."

Meanwhile, in London it was reported that President Noor Hassanali has left Great Britain, where he had been vacationing for the last 15 days.

The Trinidad and Tobago High Commission in London did not give any information on Hassanali's activities, the exact date of his departure, or his destination.

On 27 July, Abu Bakr and his group began a rebellion against Robinson's government and are resisting the attack of forces loyal to the prime minister. The rebels are occupying the Parliament building and the government television station facilities.

Sources Say Prime Minister's Release Planned

PA3107164090 Paris AFP in Spanish 1615 GMT 31 Jul 90

[Excerpt] Port of Spain, 31 Jul (AFP)—Sources in Port of Spain have reported that the Muslim rebels who are occupying the Trinidad and Tobago Parliament are getting ready to release wounded Prime Minister A.N.R. Robinson.

The same sources added that Robinson, who according to a government spokesman is wounded in both legs, will be taken out of the Parliament building in a wheelchair at 1100 (1500 GMT) [as received] to be driven in an ambulance to Camp Ogden, a military base six kilometers from the capital city.

Camp Ogden is the same base from which Acting Prime Minister Winston Dookeran has been operating since Robinson was taken hostage by the rebels.

The aforementioned sources asserted that the police and the soldiers surrounding Parliament were warned that fire would be opened against any person who tried to leave Parliament besides Robinson. [passage omitted]

Justice Minister Announces Robinson's Release

PA3107192390 Paris AFP in Spanish 1908 GMT 31 Jul 90

[Text] Port of Spain, 31 Jul (AFP)—Trinidad and Tobago Justice Minister Anthony Smart has announced on the national radio that Prime Minister Arthur Ray Robinson, who had been held hostage by Muslim rebels since Friday, 27 July, was released early this afternoon.

The release was confirmed to AFP by a witness who saw the prime minister, who seemed seriously wounded, leave on a wheelchair to be taken aboard a truck. Robinson was taken to Camp Ogden where the government ministers not taken hostage are gathered.

Eyewitnesses Report Prime Minister Released

FL3107190790 Bridgetown CANA in English 1859 GMT 31 Jul 90

[Text] Port of Spain, Trinidad, July 31, CANA—Trinidad and Tobago Prime Minister A.N.R. Robinson was released Tuesday afternoon after three days in captivity, eyewitnesses said. Robinson was slipped out of the northern side of the Parliament building into a waiting ambulance.

Attorney-General Anthony Smart appeared on television at 2:45 PM (1845 GMT) to announce Robinson's release and to say that officials were working on the release of the other hostages.

[passage indistinct] attention shifted to securing the freedom of the other hostages, including media personnel and Cabinet ministers, as soon as possible.

The media people were being held at the state television station, TTT, which rebel leader Yasin Abu Bakr turned into his headquarters.

Robinson and National Security Minister Selwyn Richardson were allowed to speak to CANA in an apparent attempt by the rebels to press for acceptance of an accord offering them immunity from prosecution.

The rebels, as a condition for ending the crisis, also demanded the resignation of Robinson and the installation of an interim government headed by Robinson's deputy, Winston Dookeran, pending the holding of general elections in 90 days.

Officials said 15 hostages remained inside the Red House.

CANA Provides Timetable of Robinson Release

FL3107224090 Bridgetown CANA in English 2200 GMT 31 Jul 90

[Text] Port of Spain, Trinidad, July 31, CANA—Soldiers were put on alert shortly after sunrise on Tuesday as word was put out that Prime Minister A.N.R. Robinson would be released by his Black Muslim captors.

However, it was not until after midday that the Trinidad and Tobago leader was finally helped out of the Red House, his jail for 54 hours.

To follow is the timetable of events at the Red House which led to Robinson's release:

—6:55 a.m. soldiers in the Trinidad Guardian building leave roof hurriedly muttering about prime minister's release notice.

—7:00 a.m. Police vehicle slowly circles block adjacent to the Red House. Five officers in car. Disappears down St. Vincent Street.

—7:34 a.m. Three or four gunshots heard on east side of Red House by Woodford Square area.

—7:43 a.m. Soldiers go on alert and come out of base in nearby racing pool office they had been using since weekend. Two soldiers lean over and challenge wandering person on far side of car park between Guardian building and Red House. Person leaves via Abercromby Street.

—7:55 a.m. Guardian soldiers exit from racing pool building with what looks like extra ammunition.

—7:59 a.m. Vagrant on St. Vincent Street next to Guardian building challenged by soldiers. He talks back. One soldier throws bottle near him. He continues to argue and then returns down St. Vincent Street to Independence Square.

—8:00 a.m. Soldiers return inside Guardian building.

—8:30 a.m. Shots heard in Woodford Square, to the east of the Red House. The odd sporadic fire would be repeated at 8:45 and 9:00 a.m.

—9:15 a.m. Soldiers in the area appear to end standby positions, returning to sitting down on pavements and shop kerbs resting.

—9:55 a.m. - Loud bang heard on the north eastern side of Red House, near the Hall of Justice.

—10:00 a.m. Spokesmen for the Army, the police, and government hold press conference at Holiday Inn hotel in downtown Port of Spain giving a brief outline of the looting situation, stating no change in situation, and announcing a 4:00 p.m. "High level" news conference.

—1:00 p.m. Ambulance arrives at northern end of Red House.

—1:15 p.m. Two Muslimeen exit from northern side of Red House and carry Prime Minister Robinson to waiting wheelchair, placed in chair with briefcase on his lap. Muslims move off. Two military paramedics move in and wheel the Trinidad leader away to waiting ambulance, leaves for Camp Ogden.

—2:00 p.m. Robinson under heavy security brought out from Camp Ogden by ambulance and taken to St. Clair Medical Hospital, near Queen's Park Oval.

—4:00 p.m. Attorney General Anthony Smart holds news conference to say prime minister has been hospitalised.

Robinson Released Because of Failing Health

FL3107211890 Bridgetown CANA in English 2120 GMT 31 Jul 90

[Report by Debra Ransome]

[Text] Port of Spain, Trinidad, July 31, CANA—Trinidad and Tobago Prime Minister A.N.R. Robinson, dragging his feet and looking haggard, was carried from the Red House on Tuesday, ending three days of capitivity by Black Muslim rebels who staged a coup attempt on Friday night. Robinson, released because of failing health, exited through the northern side of the Parliament buildings, assisted by two of his Jamaat al Muslimeen captors who placed him in a wheelchair left in the middle of a nearby street.

Before heading back into the Red House where other parliamentarians remained captive, the two rebels placed Robinson's briefcase on his lap. Robinson was then collected by two Army paramedics who wheeled the 63-year-old leader to a waiting ambulance which whisked him away to Army Camp Ogden for medical attention.

Government officials stressed Robinson's release was on medical grounds and was not related to an agreement the rebels said they had reached with the government for ending the hostage crisis.

Robinson, wearing a dark suit and dark shades, was shot in the leg during the rebel storming of Parliament. He told CANA in a telephone interview on Monday night he had not eaten throughout the ordeal.

Robinson spent little time at Camp Ogden before being taken, under heavy security, in another ambulance to the St. Clair Medical Centre just outside here. Eyewitnesses said he was carried in on a stretcher.

[Passage indistinct] attention shifted to securing the freedom of the other hostages, including media personnel and cabinet ministers, as soon as possible.

The media people were being held at the state television station, TTT [Trinidad and Tobago Television], which rebel leader Yasin Abu Bakr turned into his headquarters.

Robinson and National Security Minister Selwyn Richardson were allowed to speak to CANA in an apparent attempt by the rebels to press for acceptance of an accord offering them immunity from prosecution.

The rebels, as a condition for ending the crisis, also demanded the resignation of Robinson and the installation of an interim government headed by Robinson's deputy, Winston Dookeran, pending the holding of general elections in 90 days.

Officials said 15 hostages remained inside the Red House.

El Salvador

Cristiani Praises Agreements With FMLN

PA3107150090 San Salvador TCS Television in Spanish 1215 GMT 30 Jul 90

[Italicized passages are recorded]

[Text] President Alfredo Cristiani has referred to the latest clashes and ambushes in the 10-year-old war. He said that they should not have taken place because the government and the FMLN [Farabundo Marti National Liberation Front] are holding peace talks. He said that although the talks have not produced a cease-fire agreement, they have produced agreements regarding respect for the citizens' physical and mental well-being. Therefore, these agreements should be seen as mitigating the existing violence.

[Cristiani] *Unfortunately, in the military field we have not reached agreements to end the armed confrontations, although, as we said yesterday, we are very satisfied with the San Jose agreement, which states that there will be respect for citizens' lives, integrity, and security. That is a commitment the FSLN is obliged to keep. To a certain extent this can serve to begin lowering the levels of violence and bloodshed in our country.*

We hope that future meetings will produce increasingly faster results that will end the war as soon as possible.

President Cristiani said that former deputy director of the military academy Colonel Camilo Hernandez' release on bail is normal, but his freedom is conditional. Hernandez is accused of ordering the burning of the academy's log books. [words indistinct]

[Cristiani] *I believe that the people should see the whole process as within the framework of Salvadoran law. He has been released on bail, but that is only conditional freedom. It does not mean that his trial will not continue. The jury will decide on his innocence or guilt. This is part of the Salvadoran legal process. The judge will decide what is best.*

The president made these statements during events he hosted for the press. He said there has been much progress in the media.

[Cristiani] *The media have advanced greatly. It cannot be denied that the task of informing the people has improved greatly in our country. That is the essence of the democratic process. I believe that yours is a very important task and that its effects are increasingly evident.*

The president answered our questions at a sports event lunch on 28 July marking Reporter's Day, which is celebrated on 31 July.

FMLN Asks U.S. To Suspend Military Aid

PA0108040490 Paris AFP in Spanish 0247 GMT 31 Jul 90

[Text] San Salvador, 31 Jul (AFP)—The Salvadoran guerrillas asked U.S. President George Bush today to suspend military aid to the Salvadoran Government.

The rebels issued a call through the Clandestine Radio Venceremos, mouthpiece of the FMLN [Farabundo Marti National Liberation Front], for the U.S. Government to change its policy toward El Salvador.

According to the FMLN, if Bush suspends the military aid, "the war would be shortened, tensions in the area would disappear, and the Central American democracies would have to seek a rapprochement with their own peoples."

The rebels say that "if the U.S. Government changes its policy of giving military aid to El Salvador, Central America would live in peace and progress, and the United States would profit economically and politically."

The FMLN claims that the present U.S. policy toward El Salvador, "is a mistake by the Bush administration."

The FMLN believes that "the U.S. Government is abetting the war in El Salvador by supporting President Cristiani's plan of asking for everything in exchange for nothing at the peace talks." The FMLN is referring to the peace talks in Costa Rica, where there was no agreement on the military aspect.

Judge Releases Officer in Jesuit Murder Case

PA0108042390 Hamburg DPA in Spanish 2327 GMT 31 Jul 90

[Text] San Salvador, 31 Jul (DPA)—One of the high-ranking Salvadoran military officers linked to the murder of six Jesuits on 16 November 1989 has been released on bail. He is charged with ordering the burning of the log books with the names of officers who entered and departed the military school on 15 and 16 November, where the murders were presumably planned.

The officer is Colonel Camilo Hernandez, who in November 1989 worked as the military school's assistant director. The main person charged is Colonel Guillermo Benavides, who was the director.

Hernandez is being charged with the "actual cover up," a crime that is punishable with a maximum of three years, making it, therefore, eligible for bail according to Salvadoran law.

Fourth Penal Judge Ricardo Zamora, in charge of the case, acted favorably on the defense's request, releasing the officer for 30,000 colon (about $4,000) bail.

After his release, speculation regarding the case has begun in El Salvador; it is feared that all implicated may not be found guilty.

Guatemala

'Official Circles' React to URNG Threats

PA3107193290 Guatemala City Teleonce Television in Spanish 0400 GMT 31 Jul 90

[Text] Official circles have reacted to the warnings of the Guatemalan National Revolutionary Unity [URNG] to the effect it will resume attacks against nonmilitary targets. The URNG warnings are included in a recent report. President Vinicio Cerezo Arevalo, Deputy Marco Antonio Dardon Castillo, who is the president of Congress, and Army spokesman Carlos Fernando Duran have commented on the issue.

[Begin recording] [Cerezo] It would be very regrettable if the URNG resumed actions that harm the Guatemalan people. It is not the Army, the government, or the security corps that is affected by the sabotage of the electric pylons. It is the people who are directly affected by these actions. Therefore, if they want to join a peaceful program of political participation, they should refrain from such actions until we reach an agreement, and not harm the interests of the Guatemalan people.

[Dardon] [Words indistinct] within the talks among the various groups and the URNG, and I understand that they will first meet with other groups. We trust and hope they will not resume their actions. It would have very serious repercussions for the country, particularly now that we are getting close to an electoral process, because there is still certainly some insecurity. We must bear in mind that the national commission that is working on this will very shortly reach some sort of a preliminary agreement that will serve as a basis for future negotiations that will lead to lasting peace in Guatemala. [end recording] [passage indistinct]

More Parties Oppose Rios Montt Candidacy

PA3107161990 Madrid EFE in Spanish 2322 GMT 30 Jul 90

[Text] Guatemala City, 30 Jul (EFE)—The Revolutionary October (OR) guerrilla organization and the Guatemalan Labor Party (PGT-Communist) today in Guatemala City rejected retired General Efrain Rios Montt's candidacy, "because it constitutes a threat to the country's current political process."

Rios Montt, who ruled Guatemala between 1982 and 1983 after a coup that ousted General Romeo Lucas Garcia on 23 March 1982, has been proposed as a presidential candidate for the 11 November elections by the Nationalist United Front (FUN), Guatemalan Republican Front (FRG), and the Democratic Institutional Party (PID), despite a constitutional impediment for his candidacy..

According to a PGT and OR communique published today by the local press, "as his aspiration is unconstitutional and should therefore be legally banned, his candidacy is basically a political and not a legal problem."

The OR and the PGT, which form part of the Guatemalan National Revolutionary Unity (URNG), claim that "to support or to sympathize with Rios Montt can only be a result of the most backward interests and takes advantage of the ignorance the people have been subjected to."

The rebel statement stresses that "the danger represented by Rios Montt, greater polarization in the country, is not limited to the catastrophic effects on the popular, labor and democratic movements, to the exercise of the citizens rights, and to the criminal way in which he conceives the fight against common crime, the danger even extends to religious confrontation."

The OR and the PGT recall that Guatemalans must not forget the massacre of Sansirisay, "led by Rios Montt in 1973," which left a toll of many peasants murdered, and "his betrayal during the 1974 elections," which he won, "resulting in a deal" to be appointed ambassador to Spain.

* 1990 Killings, Kidnappings Tabulated

90CA0080A Guatemala City SIGLO VEINTIUNO in Spanish 29 Jun 90 p 3

[Text] The Office of the Human Rights Prosecutor [PDH] has computed, between 1 January and 28 June of this year, 163 cases of extra-judicial executions on the national territory. This was disclosed to SIGLO VEINTIUNO last night by the assistant prosecutor, Cesar Fernando Alvarez Guadamuz.

Simultaneously, and within the same period, that agency, as an entity commissioned by the Congress of the Republic, has handled 103 complaints or reports of kidnappings or missing persons; although some of the cases have been characterized as "voluntary," and others as "forced."

The official noted that, in the 163 "extra-judicial executions," 146 of the victims were men and 17, female. They were subdivided into 93 adults and 10 minors, as well as 52 [others], for whose bodies the authorities could not determine an approximate age and, consequently, they were also unable to identify them. For this reason they were buried marked as "x.x."

The corpses were located in different parts of the country, the majority having sustained impact from bullets, torture, knifing, or incineration. In the assistant prosecutor's opinion, this attests to the seriousness of the existing security problem and the level of respect for the right to life.

He concluded by saying that the PDH's various sections are still working on investigations related to a high percentage of the files opened in this category of "extra-judicial executions."

Honduras

Strike Claims First Victim in Clash

PA3107171490 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 31 Jul 90

[Text] We have a last-minute report. At this moment, we are appealing for prudence to prevent any deplorable incident in the strike by the Sitraterco [Trade Union of Tela Railroad Company Workers], but apparently the call is late. David Fernandez has a last-minute report.

[Begin Fernandez recording] The threats of the sticks and machetes held high did not remain as such. We deplore the fact that there has been a first victim in the 33 day-old strike, which began on 25 July [as heard]. The strike went virtually unnoticed, because we were engrossed in the World Cup soccer tournament. We have just learned that Mr. Juan Angel Menjivar, a former bodyguard of a former official of the DIN [Department of National Investigation], who apparently was employed by the Tela Railroad Company, was killed in a clash between union and antiunion groups. David Turcios, identified as militant and member of the Sitraterco, has been accused of killing Menjivar. Juan Angel Menjivar belonged to one group and David Turcios belonged to another, and the result was a victim.

We also learned that Sitraterco has flatly rejected the government proposal and has called an urgent meeting with the president of the Republic tomorrow. It is possible that Government House may have the information in this respect. We are making contacts at the level of Mario Rivera Lopez [governing National Party official] to see if possibly on 31 July a Sitraterco delegation can be received by the president of the Republic.

We deplore the fact that Mr. Juan Angel Menjivar is the first victim of this crime for which David Turcios is blamed. As we stated a few moments ago, we appeal for prudence. Now we make a strong appeal to the Armed Forces to step in to prevent the innocent bloodshed of Hondurans by other Hondurans in a labor-management conflict that can be resolved, either with the arbitration of the president of the Republic or by the social security law, which is one of the laws of which we Hondurans are proud. This has been an incident that we deplore. [end recording]

Tela Railroad Company Accepts Government Proposal

PA3107214490 San Pedro Sula TIEMPO in Spanish 31 Jul 90 p 2

[Letter to President Rafael Leonardo Callejas from Karl F. Koch, general manager of the Tela Railroad Company—date not given]

[Text] Mr. President:

We address you with our customary respect to answer your letter dated 28 July 1990 in which you expressed concern over the labor problem that has resulted from the strike promoted by Sitraterco [Trade Union of Tela Railroad Company Workers] since 25 June.

After analyzing the proposal you included with your letter, we have decided to accept it. However, we feel it is our duty to express some points that are very important for our company.

1. First of all, we must remember that this is the fourth strike promoted by Sitraterco in less than four years. All of them have been illegal and unfounded. The three previous strikes were resolved extrajudicially, and the company sustained grave economic and administrative losses. However, those who violated the law were not punished.

As a company under the jurisdiction of the Republic of Honduras, we believe that in the same manner as we comply with our duties and obligations, we have rights that should protect our interests. In the case of labor laws those rights have been denied us.

2. The final proposal presented by the president of the Republic represents for the company an additional burden of 19.6 million lempiras in our payroll. This, added to the operational loss caused by the lack of production during the strike, will result in an estimated loss of 48.5 million lempiras.

Given that in less than one year the company will have to negotiate a new collective contract with Sitraterco, the short- and medium-term effects of the current strike will be totally negative for our operation.

Mr. President: We reiterate our acceptance of the proposal presented by the Honduran Government as a final settlement. We do this taking into account the country's needs more than our own situation.

Hoping that the same spirit of civic responsibility will prevail in Sitraterco, we remain

Sincerely,

Kark F. Koch

General Manager

Clashes Between Union, Strikebreakers Reported

PA3107230690 San Pedro Sula TIEMPO in Spanish 31 Jul 90 p 2

[Text] La Lima—The position adopted by the Tela Railroad Company and the Sitraterco [Trade Union of Tela Railroad Company Workers] regarding the government proposal, which fails to satisfy the workers demands, on the one hand, but which has been accepted by the Tela Railroad Company on the other, has heightened the conflict and made a solution seem remote.

The Sitraterco called the secretaries general to a meeting yesterday to analyze the presidential document, after a

"clearing up" consultation with the members of the government commission, but the union members were left waiting.

Yesterday morning, the union's executive committee discussed with their representative Eustaquio Sabillon and other advisers the document sent by President Rafael Leonardo Callejas, through Labor Minister Rodolfo Rosales Abella.

It was 1040 in the morning when Reye Ayestas, union president, received a call from Callejas, who wanted to know if the workers had a response to his proposal.

"There are unclear points. The workers cannot return to work under those conditions because the points are unclear, and we want the government commission to clear up a fw things," Ayestas told Callejas. The president then told him that he would contact members of the commission to go to La Lima, but the commission never arrived, and there was never a meeting with the rank-and-file leaders.

The first to arrive at the municipal palace meeting was the Tela commission, headed by general manager Karl F. Koch, who arrived at 1800. The government commission arrived 20 minutes later, followed by the military representatives; the union leaders were the last to arrive.

The meeting had been going on for a few minutes when Efrain Ayala, secretary general of La Fragua [not further identified], urgently called Rene Ayestas to tell him about serious incidents taking place in La Lima at the time between labor union members and groups of strikebreakers, who are loyal to the Tela Railroad Company. Two people were injured and several others arrested by the police.

Ayestas went outside for a moment to get more information on the situation.

The meeting was very short. Shortly before 2000 the negotiating commissions left the place.

Asked about the situation, Rene Ayestas said that no agreement was reached at the meeting and that his presence there was only to give his response to the presidential proposal, which does not meet the workers' demands.

He said he feared the meeting would not take place because of the incidents in La Lima and added that he was going to return quickly to the labor union office to learn more about the incidents because he was concerned about the fact that while negotiations were being conducted with the company, clashes were taking place between the workers and company supporters.

He said that the injured people were Victoriano Martinez and Aris Eduardo Banegas and that investigations would be conducted to determine if they were workers or not. Both men were taken to La Lima Hospital.

Ayestas said that everyone says the labor union is asking for too much, but that no one talks about the profits obtained by the company.

At 1410 yesterday afternoon some 300 strikebreakers, armed with clubs and machetes, walked the streets of La Lima, and as they got closer to the Sitraterco offices, they tried to occupy the installations, with the intention of scaring away the strikers.

However, the strikebreakers were not successful because a large number of labor union members confronted them and they ended up fleeing in disarray.

Labor Union Responds to Government Proposal

PA3107233190 San Pedro Sula TIEMPO in Spanish 31 Jul 90 p 2

[Letter to President Rafael Leonardo Callejas from the president of the Trade Union of Tela Railroad Company Workers, Sitraterco, Rene Ayestas Ch.—date not given]

[Text] Your Excellency Rafael Leonardo Callejas

President of the Republic

Tegucigalpa

Mr. President:

It is with all the respect that your lofty position deserves that we want to use this means to state our position on the government's proposal, aimed at finding a solution to the conflict currently affecting management-labor relations between the Tela Railroad Company and Sitraterco.

We acknowledge and appreciate your goodwill and your efforts to end this conflict that is hurting all Hondurans. However, at the same time that it is being prolonged, the conflict favors those who benefit from a growing inflation because the higher the inflation, the more our currency is devaluated and the higher the earnings secured by an exporter, which everyday brings less foreign exchange to the country.

We will quote from your note of 29 July the following paragraph: "In delivering this proposal, the government's ad hoc commission expects to receive an answer as soon as possible." It is obvious that the response to a proposal may be one of acceptance, the response could include conditions, or it could contain a counterproposal. We find that your proposal is not fair with the contract workers when compared with workers who get paid by the hour. Apparently, the difference results from the fact that the "current estimated average" of 32 lempiras for contract work is not realistic, and for this reason we find that while the increase to those who work by the hour would amount to 1.40.10 in the basic daily salary, it did not reach the one-percent mark of the latest proposal made by the enterprise on 22 July, making evident that the government's proposal is more in tune with the position of the enterprise and very far from the

labor position [sentence as published]. The government's proposal did not touch on issues that are unavoidable, such as the salaries that have not been received during the strike, a matter that will seriously endanger the possibilities of resolving the conflict if it is not discussed. We also believe that the issues "disabilities" and "dock and containers" must be resolved immediately.

Now that we have made these observations, we respectfully invite you to a meeting that we propose could take place tomorrow, Tuesday, 31 July 1990 [date as published], at a time and place of your choice, preferably the Aldermen Room of San Pedro Sula municipality or in the meeting room of the Central Bank of Honduras, in the same municipality. We would like to present to you a labor union proposal based on realistic figures so that the with basis on explanations you may decide whether or not it is equitable and fair.

Respectfully yours,

Rene Ayestas Ch.

President

Sitraterco

* Level of Criminal Violence Reviewed

90CA0068C Tegucigalpa LA TRIBUNA in Spanish 29 May 90 pp 8-9

[Text] Acts of violence are increasing at a rapid rate because of the lack of authority, and because recent governments have not had a genuine national plan to counteract the factors influencing the spread of this phenomenon, which is placing the country's tranquillity at risk.

This problem, in all its manifestations, has led to misery and frustrations that have become exacerbated with the passage of years. It is considered taboo by the authorities, because there is no real concern for ascertaining and correcting its causes.

The crimes and offenses committed daily are convincing evidence of the high rate of violence being perpetrated. According to data provided by the Public Security Force, in just four months there have been 300 fatalities from knives and firearms, 491 persons injured, and 312 deaths from intoxication, alcoholism, and convulsions. Furthermore, 28 assaults, 19 rapes, 16 frauds, 19 thefts, and 59 residential burglaries were committed and reported to the police.

Some sectors of the society agree with the Platform of Struggle proposal that there should be a national dialogue and the enactment of a national plan to resolve this phenomenon now plaguing the entire Honduran population.

They have also referred to the initiative of former President Jose Azcona, who expressed an interest in creating a National Reconciliation Commission to analyze and discuss the social, economic, legal, and political problems having the greatest effects on violence. Nevertheless, although task forces were formed in the different areas, their reports were not released to the public, for reasons unknown.

Members of these commissions issued a few reports that contributed solutions to the problems which most affect violence.

The social problem most closely associated with the present violence is the "family disintegration" caused by alcoholism, machismo in the majority of instances, abandonment by parents, and other situations. These factors force children to seek means of survival at an early age; and, influenced by their friends or companions, they start drinking liquor or taking Resistol. Under the effects of these substances they attack others and commit serious offenses.

Alcoholism is considered one of the main causes of violence. According to statistics from the Honduran Institute for Alcoholism, Drug Addiction, and Narcotic Dependence (IHADFA) there are about 250,000 Hondurans in the country consuming alcohol; and of that number some 50,000 persons have undergone serious physical and mental damage.

This institute's director, Dagoberto Espinoza Murra, explained that any type of drug or alcohol contributes to the release of certain forms of violence. In other words, they facilitate such acts. He cited as an example, the fact that most of the individuals held in prison centers have committed offenses or crimes while under the effects of intoxicating beverages or after having access to other types of drugs, such as marijuana, cocaine, and certain amphetamines.

The report indicates that there are other factors affecting family disintegration, such as paternal irresponsiblity. This generates a large number of single mothers who, owing to their extreme poverty, leave their children abandoned on the street or send them out begging in order to survive. Such children grow up on the streets without the proper guidance from their parents, in an environment filled with violence.

The second factor that was determined is the lack of housing. The housing shortage has been estimated at over 500,000 dwellings. Obviously, anyone without a roof over his head feels envious, in addition to his personal problems; and this generates feelings of aggression.

Another highly significant cause analyzed was unemployment, because a person without a job has nothing to eat, and no means of providing his family with the basic necessities. He uses violence to procure them, either through payment for some job or through robbery. According to the Honduran Association of Economists, it is estimated that 43 percent of the population is unemployed.

It was also concluded that a further problem is the lack of land ownership, because there has been no agrarian reform that would bring about an equitable distribution of land. So long as the poor have no means of obtaining any type of food through production, they will use violence in an attempt to procure daily sustenance.

In the report on social factors, it was concluded that the crux of the entire problem lies in having to provide to support a family. And, in this contradictory situation of wanting to provide things while lacking employment, a decent dwelling, land, or a stable home, violence crops up as the only means of obtaining that which one lacks. Therefore, an awareness of this difficult predicament must be acquired.

According to the head of the Catholic Church chancery, Luis Alonso Tejeda, the violence in Honduras is characterized by a lack of authority and education insofar as Christian morality is concerned.

Tejeda comments: "However, the Honduran people are peaceful. I think that, in a way, it is 'inane' because they don't react to the shortcomings and abuses on the part of many, but rather, peacefully watch things happen, as though nothing were happening."

Nevertheless, according to sociologist Ramon Oqueli, this society has become accustomed to living in violence, and finds no escape.

He claims: "The people in this country are frustrated and fearful, and that very fear and desperation leads them to violence."

Oqueli commented that reports from the National Reconciliation Commission could serve as the basis for a national dialogue, in cooperation with the Armed Forces; because the violence cannot be eliminated when the Armed Forces are the ones mainly to blame for the practice of legitimate violence.

He gave as an example the fact that the National Autonomous University has become a firing range for battles among armed groups or gangs.

Other situations that should be dealt with are personal attacks, many of which have remained unpunished. A magistrate from the Supreme Court of Justice and a general retired from the Armed Forces have been assassinated; and no one knows anything about those responsible for these crimes. Hence, it would appear that there is no entity in the country to which one can appeal in terms of seeking a solution for this violence.

According to the report on the legal aspects, the high crime rates are due to the illegal entry of foreigners, motivated by the heightened violence in neighboring countries. It is estimated that there are over 200,000 foreigners in Honduras illegally, over whom the authorities have no control.

It also attributes this to the lack of a scientifically and technically devised and implemented prison system; because most of the crimes and offenses are dealt with on the level of the National Directorate of Investigations (DNI) or the Police Courts. This is also influenced by the fact that a trial in the courts requires bothersome procedures, with a high economic cost.

According to this report, social factors are highlighted in conjunction with the economic crisis that the country is undergoing, resulting in such direct consequences as unemployment and massive migration from the rural to the urban areas, which directly affects the phenomenon of violence.

It was also pointed out that there is a lack of parallel structures that would make possible the implementation of the advanced Penal Code.

A substantial shortcoming affecting the imparting of justice in the criminal area, is the fact that judges lack the essential technical assistance associated with investigations, and which is required for the full, unquestionable identification of the offender.

One of the recommendations made in this report was for abolishing the DNI, because it lacks the scientific and technical facilities for conducting investigations effectively. It was suggested that steps be taken to create the Judicial Technical Police, subordinate to the Judicial Branch.

Also quoted, was a study from the Latin American Institute for Crime Prevention and Treatment of Offenders (ILANUD) and the University of Florida. It indicates the lack of confidence that the citizen has in the police, thus preferring to use defense measures within his reach.

Another suggestion put forth was the establishment of a competitive examination to decide upon positions for court magistrates, court judges, secretaries, receivers, and clerks. This is prescribed in the Law on Judicial Profession to prevent political partisan interference from influencing the appointment of members of the Judicial Branch.

The Executive Branch should also provide the prison system with the facilities necessary to achieve the rehabilitation of criminals, and to punish the abusive behavior of some subordinates in the prison branch, who constantly allow inmates to leave with firearms. They spend the night in their dwellings, and sometimes visit centers of vice, even committing additional crimes.

Moreover, it is suggested that, so long as the proper conditions are non-existent in Honduras, the granting of a conditional release, a violence generating factor, should be suspended.

According to some psychiatrists, although Honduras is not experiencing war with other Central American countries, there has been a series of acts proving that it is undergoing a time of great violence, and that there is an uneasy atmosphere wherein everyone is exposed to violent acts of varying degrees.

They claim that there is a potential for violence in every person, and that education and training can help moderate this. However, it is difficult to ask someone who has nothing to eat, and no place to sleep or live, to show restraint and proper behavior.

Several types of violence are being manifested in Honduras: directly, such as physical or sexual aggression, assaults, burglary and robbery; and indirectly, such as offensive remarks against a person, slander, and damages. There is another kind called sophisticated, such as the kind which offends the integrity of a person.

But is there anyone willing to check the violence and the nature of the factors generating it?

* Economic Reform Hits Campesinos Hardest

90CA0068B Tegucigalpa LA TRIBUNA in Spanish 11 Jun 90 p 7

[Text] The devising of economic adjustment measures entails "considerable social costs" which, according to the Honduran Association of Economists (CHE), will impoverish an extensive rural sector "for the sake of social peace in the urban centers."

The foregoing statement is contained in a study prepared by economists Hugo Noe Pino and Rodulio Perdomo, entitled "Effects of the Economic Policy on Agriculture and Food Security." They continued their analysis last weekend with leaders of the Honduran campesino sector.

With regard to food production, they noted that, since the beginning of the 1980's, there has been a decline in agricultural activities, especially insofar as growing staple grains is concerned.

The study in question maintains that, at the start of the decade, an increase was observed in the production of beans, corn, and rice, amounting to about 3.4, 4.2, and 8 percent, respectively. Near the end of the decade, however, in 1988, corn production was increasing only 0.2 percent, while that of beans declined 4.3 percent.

Pino claims that the "backbone" of the neo-liberal economic policy suggested by international financing agencies is agricultural-livestock production, aimed at exporting, to generate foreign currency with which to guarantee payment of the foreign debt.

The same policy recommends taxing "income and property," and making the granted subsidies "selective," [which implies] generally giving preference to large and medium-sized producers.

Although the recommendations from the [US] Agency for International Development (AID) call for a change in the patterns for land use, economists point out that there is not yet a "structural agriculturai adjustment."

Large expanses of farmland are being used for "extensive, unproductive" raising of livestock, and it is estimated that approximately 300,000 hectares are held by cattle raisers.

It has been predicted that, without an agricultural adjustment, "the social costs will be considerable," and negative for small farmers; because, according to the economists, there is an obvious "preference" for the medium and large-sized producer.

The economists point out that President Rafael Leonardo Callejas' economic program, prescribed by the International Monetary Fund (IMF), the World Bank [IBRD], and AID, represents a "massive transfer of the meager income level of the poor in rural and urban areas to the agro-exporting sector."

They remark that the measures appear to be a "punishment" imposed on the poorest for our having become indebted to the IMF, IBRD and AID, or for having increased the fiscal deficit and overvalued the lempira.

A greater sacrifice is demanded of the poor, and thousands of fellow countrymen living in rural areas are doomed to poverty, while urban consumers are subsidized.

The economic adjustment program seeks "national and multinational capitalist profitability (an exportable supply), and its execution seeks for industrialized countries a reduction in the costs of their raw materials."

While the industrialized countries are more interested in the return of borrowed capital, they have had no concern for the "food security" of the peripheral nations. This conclusion was reached by economists Pino and Perdomo in their study, which was being debated with agricultural sectors last Friday and Saturday.

* Privatization of Government Agencies Planned

90CA0068A San Pedro Sula LA PRENSA in Spanish 24 May 90 p 4

[Text] Tegucigalpa—Various government officials have expressed shock at the release of a detailed document containing features of the massive privatization plans harbored by the present government.

The plans mention Educredito [Credit for Education], the Honduran Agricultural Marketing Institute, the National Agricultural Development Bank, and the Honduran Corporation for Forest Development (Cohdefor), certain agencies of the Ministry of Natural Resources, as well as others including the Ministries of Communications, Public Works, and Transportation.

The privatization action that has met with severe obstacles in recent years now appears to be taking an expeditious route. Evidence of this is its connection with the National Litho-Typographical Center.

The first thing to be accomplished was the organization of a technical privatization unit, whose personnel is charged with coordinating and providing assistance to all government institutions where there are plans to put several such entities totally or partially in private hands.

Next month action is expected to be taken with the National Institute for Occupational Training, to which the private sector allocates 17 million lempiras annually. For this purpose, talks have begun between engineer Benjamin Membreno and Gilberto Well Ramirez.

In July there are plans to achieve the same thing with Educredito, and talks have been held with its director, Wilfredo Cerrato; the National Litho-Typographical Center; Coda, a program coordinated by the Ministry of Natural Resources; and several departments of the National Agricultural Development Bank. The same plan applies to others associated with the Honduran Coffee Institute and the Honduran Institute for Agricultural Development.

The privatization plans include several departments of the Honduran Corporation for Forest Development; services provided by the Honduran Social Security Institute; and the National Port Enterprise, with respect to its free trade zone operations and maintenance and administration services, which will come under private control.

Privatization of the rural distribution services run by the National Enterprise for Electric Power is planned, as it is for markets currently controlled by the Central District municipality, with the addition of garbage collection services. All of this is being discussed with Ruben Mondragon, Tegucigalpa's community economic adviser.

Added to the expanded list is the People's Secured Credit institution, and discussion has been underway with the manager, Servio Tulio Mayer on the subject. The idea of doing the same thing with the administrative and technical services offered by the Ministry of Natural Resources has been suggested.

The Maintenance Directorate, an agency of the Communications Ministry, will also be privatized, as will the Roads and Airports Directorate. In the meantime, the Health and Education Ministries are analyzing options for privatizing certain operations for which they are currently responsible.

The same fate will befall the General Directorate of Tourism, the National Investment Corporation, and the Honduran Banana Company, Inc; as well as such enterprises as Proinco [expansion unknown]. It will also affect sales of stock shares in the Tan Company and Tourist Developments (Villas Telamar), as well as the Sula Milk Products plant, at an auction scheduled for August.

Moreover, it applies to Cement Industries, Inc; Central Sugar Works, Inc., and Acansa; the Hotels Posadas and Brisas del Lago; Hondulap; and Inacero.

In connection with all the foregoing, the first probing has taken place for signing the extension of a new agreement with the Agency for International Development on the subject of privatization, and with the Inter-American Institute for Agricultural Cooperation, which is a consultant in this area.

Included in all of this has been a dialogue with representatives from the Congress, who will provide advice in preparing the legal report, to be designated in advance as "capital democratization." The Attorney General's Office will do the same in all areas for which it is responsible.

It was decided that a campaign be launched as soon as possible to foster awareness among all the sectors involved in this process, especially among the members working in government agencies intended for privatization.

Also scheduled are visits to countries in which privatization has been in effect for a long time, especially Chile, Colombia, Brazil, and Guatemala.

Representatives from the National Enterprise for Electric Power will go to Chile; and the rest of the countries will be visited by delegates from other entities slotted for participation in the extensive privatization plan.

The Technical Privatization Office is directed by Virgilio Paredes and coordinated by Roberto Leiva, both Stock Exchange board members; and each and every one of the agencies to be privatized has a delegate. These individuals are participating actively in the plans established for this purpose by the present government.

According to the report, the complete program has been submitted to President Callejas, to officials from various ministries, and to those responsible for directing autonomous institutions.

Nicaragua

Presence of Armed Sandinists Denounced

PA0108031490 Managua LA PRENSA in Spanish 30 Jul 90 pp 1, 8

[Report by Fidelina Suarez M.]

[Excerpt] The people of Jalapa are saying that the six criminal attacks carried out against National Opposition Union [UNO] sympathizers and militants in that region have occurred because since 25 February, the Sandinists have distributed more than 1,000 weapons among civilians. The UNO has prepared a list with the names of people who have received weapons, and this list could include approximately 3,000 names.

The cases reported in a letter by people who want to remain unidentified because they fear the armed groups, are: On 1 July, at 0930, a grenade was thrown at the residence of Mrs. Rosario Martinez Alfaro, and she and two minors received shrapnel wounds.

On 7 July, at 2300, a grenade was thrown at the residence of Mrs. Dolores Ramirez. No one was injured.

On 8 July, at 2130, Mr. Emilio Saenz Sequeira suffered heavy losses as a result of an explosion in his home.

On 10 July, at midnight, the roof and furniture of Mr. Orlando Martinez Castellon were damaged.

On 11 July, there was another attack on the residence of Juan and Emilion Saenz. They were not injured.

The residence of Fausto Ferrufino Olivera was attacked with a grenade on 11 July at 2030.

The letter says: "The reason why we are asking that this list of armed people be published is to inform the government minister of the situation because the people who carried out these attacks move about freely."

The people of Jalapa have said that they no longer support the state of terror imposed in that place, and the weapons placed among irresponsible civilians urgently need to be seized.

The list includes the names of people who live in the urban perimeter of Jalapa, others who live in rural sectors of Jalapa, members of Sandinist cooperatives, Sandinist aldermen, and former military people.

In some cooperatives, such as the so-called "Heroes and Martyrs of La Estancia," Lieutenant Facundo Marchena has seized weapons but told the people who had been in possession of them that "they would be available in case of emergency."

There was another seizure of weapons, but no one knows what happened to them or the grenades that were seized. Some people have found weapons that were inoperable or which showed signs that they had been buried. [passage omitted]

Government Calls for Civilians To Disarm

PA0108035090 Paris AFP in Spanish 1830 GMT 31 Jul 90

[Text] Managua, 31 Jul (AFP)—The government of President Violeta Chamorro demanded today the disarmament of the Nicaraguan civilian population, and it warned that sentences of up to six months in prison could be imposed on those who are caught carrying weapons illegally.

The warning was made by Carlos Bendana, deputy director of the National Police, hours after progovernment LA PRENSA newspaper—owned by President Chamorro—reported that "some 3,000 Sandinists" remain armed in the town of Jalapa, 340 km north of the capital, near the Honduran border.

Citing leaders of the progovernment National Opposition Union [UNO] in Jalapa, LA PRENSA said that followers of the Sandinist National Liberation Front [FSLN] are carrying "pistols, rifles, grenades, and even .50-caliber machine guns," with which they are scaring off the followers of President Chamorro.

The newspaper even published a long list of people in Jalapa, who in theory have so far disregarded the government's demands that they surrender their weapons and register those light weapons authorized by law for personal defense or hunting.

Without mentioning the UNO reports from Jalapa, Carlos Bendana said today that policemen under his orders have intensified the operations to confiscate weapons in the hands of the civilian population.

"There is no option now: confiscations, arrest, and even up to six months in jail are options for those people carrying unauthorized weapons," the police chief said.

Bendana said that according to government plans to disarm the civilian population, the police have already taken away the guns carried by the security guards of all private and state institutions, except banks, where security guards are allowed to carry a gun.

During the last month, several hundred citizens went to police stations to register their weapons and to do all the necessary paperwork to carry a gun, but police sources admitted that the large majority of people, who have weapons in their homes, did not register them for fear of them being confiscated.

According to the regulations issued by the government of President Chamorro, Nicaraguans may only carry revolvers and handguns for personal defense or rifles and shotguns for hunting.

UNO leaders have repeatedly charged that the FSLN, before turning power over on 25 May [as received], distributed "more than 100,000 weapons" among its followers both in rural areas and in the city.

The FSLN admitted several times that its followers, especially those in agriculture cooperatives, are willing to use their weapons to defend "the achievements of the revolution" and it accused the dismantled contra guerrillas of having "concealed" part of their arsenal.

During the general strike that paralyzed the country two weeks ago, groups that supported and opposed the movement staged armed clashes that left five dead and hundreds of injured, according to official figures.

Armed with AK-47 rifles and with handguns, dozens of people took to the streets at night to sow unrest among residents, while the police were unable to handle the proliferation of shoot-outs in different parts of Managua.

* Finance Minister on Army, Tax Reform

90CA0073C Managua LA PRENSA in Spanish15 Jun 90 pp 1, 12

[Interview with Finance Minister Emilio Pereira by Fidelina Suarez M.; place and date not given; first three paragraphs are LA PRENSA introduction]

[Text] The national budget will save some $12-15 million by reducing the size of the army. Such a reduction, along with a far-reaching tax reform being carried out by the Ministry of Finance, is an attempt to reduce the fiscal deficit increased by up to $50 million in continuous pay hikes to that budgeted sector.

In an interview granted to LA PRENSA, Minister of Finance Emilio Pereira revealed new information about the tax reform, smuggling, and the treatment of Nicaraguan exiles returning home.

The interview went as follows:

[LA PRENSA] How much of the budget is earmarked for the Army and what are the fundamental areas of spending?

[Pereira] It would be reasonable to say that during the remainder of the year, we will save up to $15 million on the Army. In terms of its relative importance, the Army will continue to occupy a prime role in terms of overall spending.

The fundamental areas are basically health and education and, in general terms, the entire government administration.

[LA PRENSA] How much did the previous administration spend on the Army?

[Pereira] A little over $100 million annually.

[LA PRENSA] What does the tax reform basically consist of and what do you want to achieve with it?

[Pereira] The reform is quite substantial in terms of the Nicaraguan tax system and has two main objectives: cooperating with the stabilization of the economy and controlling the fiscal deficit.

Another aspect of the reform is simplifying taxes. For example, when you buy a pair of shoes, you pay two taxes, but you then learn you paid only one. You pay the sales tax, which is 10 percent, but there is another "selective" tax that takes another 10 percent, and the two are added together. Consequently, in the end, you pay a tax of 21 percent and two declarations have to be made with double taxation.

We are now eliminating all special national consumer taxes and combining them into the sales tax. Simplification of taxes, which is one of the parts of the reform, will eliminate 600 categories of "selective" taxes. This will be done gradually and they will be reduced to about six categories.

The reform is in three parts: a conversion of the entire financial and accounting system of businesses to gold cordobas. Effective 1 July, the entire economy will have its balance sheets in gold cordobas in order to erase the inflationary memory and so people can do their calculations more simply.

The other part is the revision of taxes, involving three things, which means increasing fiscal revenue mainly by broadening the tax base. We want to lower taxes, but we are sure we will collect more because what current taxes do is encourage people to evade them.

[LA PRENSA] What have you done to broaden the base of taxpayers?

[Pereira] We have a plan whereby we will try to reduce what businesses pay in advance by seven percent, which affects their liquidity. We are going to set up a system that is very successful in other countries called "recovery through purchases."

Anyone who buys will withhold two percent as an advance payment of income tax, and we will name withholders throughout the government and the 3,000 legal enterprises established.

[LA PRENSA] Has this ministry detected tax evasion in businesses, government institutions, and government corporations under the previous administration?

[Pereira] We are looking at a number of businesses showing such signs, but we cannot give any specific information. That is a good question, but we would like to do something in the direction of reconciliation and, in principle, we want to encourage the public to pay their taxes.

[LA PRENSA] Are you considering penalties for tax evaders?

[Pereira] Traditionally speaking, we are not used to paying taxes. We are going to eliminate the power to act discretionally. No public official, not even the minister, will be able to remove a fine or penalty and with the system of simplification which we are setting up, which encourages people to pay their taxes, we will increase penalties if they refuse to cooperate.

What we are doing in short-range terms is to eliminate exemptions. Of all the exemptions given, 34 percent corresponded to the APP [People's Ownership Sector]. We believe that if the idea is to privatize business, the main thing is obviously that they will have to learn to pay and prove they can compete fairly.

The order canceling such exemptions will be issued in the days ahead.

[LA PRENSA] Does this ministry have a plan of action to fight smuggling? Have big cases been detected?

[Pereira] We know there is a lot of smuggling with livestock. We have learned that nearly every day truckloads of goods reach the major market, but we have not found the sources.

One idea is to form an agency acting jointly with the police and army in the fight against smuggling, although we think we can achieve much more by lowering taxes.

[LA PRENSA] How are exiles being treated? When will the ministerial order be issued regulating personal property brought in?

[Pereira] We have stated that there will be no tax on household goods and one vehicle. After that vehicle has been used for five years, the owner will have no tax obligation on it.

During the five year period, such vehicles will have a special license plate similar to the one used on the vehicles of retired people in Costa Rica. That ministerial order will be issued shortly.

* Nepotism, Relationships Detailed

90CA0073B Managua EL NUEVO DIARIO in Spanish 15 Jun 90 pp 1, 8

[Text] Less than two months after the installation of the rightist government of Violeta Barrios, we Nicaraguans are beginning to see a faithful copy of the actions, corruption, nepotism, and patronage which Somozism erected into a system in Nicaragua.

Relatives are once again being given posts in the current administration, weaving complicated webs in the government structure with no heed for talent, but rather, favoring an endless flow of nephews, brothers, uncles, wives, and cousins.

"The revolution in honesty" which Violeta Barrios proclaimed during her election campaign apparently lasted only until the formation of her Cabinet and the appointment of persons of trust to the ministries and government agencies.

The "reconciliation" of "the family" presumes a magnificent opportunity for a handful of Cesars, Lacayos, and Barrios, among other surnames, which have turned the administration into an imitation of the one existing over 11 years ago. That regime had last names such as Somoza, Debayle, and Sacasa on down to other less "famous" names, such as the Montealegres.

One small example can be found close to President Barrios, whose private secretary is her niece, Clarisa Barrios, while her brother, Carlos Barrios, enjoys la dolce vita in Paris, capital of France, as ambassador.

Nor do the posts awarded to the family end there. One naturally needs persons of trust and here the nephews come in: Ricardo Barrios and Raul Barrios, heading corporations, while another nephew, Noel Vidaurre Barrios, got something a little better for good behavior: the juicy post of deputy minister of foreign cooperation.

In addition, the posts offer magnificent opportunities for travel, business, national and international contacts, along with other perks, and provide a good way to get rid of other "not so reliable" employees such as the Sandinists, even when they have demonstrated professional competence, as in the case of Gioconda Alvarado in the Ministry of Construction and Marcos Gradis in ENABUS [National Bus Enterprise], replaced by Clarence Chamorro.

The Lacayos have also fared well: Silvia Lacayo Oyanguren, sister of the president—meaning of Minister of Presidency Antonio Lacayo—is now attorney general, while Veronica Lacayo is in the Spanish Embassy, not to mention the new government's relations with its spokesman LA PRENSA, beginning with the owner and her daughter, Cristiana Chamorro Barrios. Another Lacayo in the government is Raul, now vice president of the Central Bank.

While a number of Lacayos now have a foothold in the government, there are also Cesars, all relatives and for the most part from the same place, further tightening the bonds of friendship and blood in government administration.

Also in on the feast are other relatives such as Claudia Cesar, wife of the new ambassador to the Federal Republic of Germany, Hans Bohmer, who before the Sandinist victory served as manager of Cruz Lorena. Since cousins can scarcely be left out, the brand-new first secretary of the National Assembly, Alfredo Cesar, named or helped name first cousin Frank Cesar chief of public and international relations for the Ministry of Government. In addition, Cesar's wife is Attorney General Silvia Lacayo, sister of Antonio Lacayo.

Nor do family ties stop there. Adolfo Chamorro Cesar, first cousin of Alfredo Cesar, is in Miami, appointed general consul of the new government.

Other relatives serve in such posts as that of minister of INTURISMO [Nicaraguan Institute of Tourism and the Environment], Alvaro Chamorro Mora, a relative of Tomas Arguello Chamorro, chief of protocol of Foreign Minister Enrique Dreyfus.

Serving very close to the president is "superminister" Erwin Kruger Maltez, first cousin of the famous Somocist Minister of "Education" Mary Coco Maltez, who is now roving the country trying to see how she can get her old properties back, a "shadow" demonstrating how the past is trying to make a comeback in Nicaragua.

Panama

Attorney General Meets With U.S. Prosecutors

PA3107151490 Panama City EL PANAMA AMERICA in Spanish 31 Jul 90 p 1A

[Report by Juan Pritsiolas]

[Text] Panamanian Attorney General Cruz said yesterday that after meeting with the U.S. prosecutors handling the drug trafficking and money laudering suits against former General Manuel Antonio Noriega, he reached the conclusion Noriega would be "found guilty and would not see the light of day for a long time." Cruz, who last week made a six-day visit to meet with officials of the U.S. Justice and State departments, said "it is very unlikely that Noriega can successfully" beat the charges levied against him.

Cruz also noted that "in practice" U.S. prosecutors do not want to make a plea-bargaining arrangement with the former Panamanian strongman, whereby he declares himself guilty of the charges in exchange for a light prison term

and the promise he would not be extradited to Panama. However, the official explained that "technically" that possibility exists because U.S. laws allow for it.

Attorney General Cruz also disclosed that Noriega's prosecutors stated they wanted Panama to file a $5.3-billion civil lawsuit against Noriega, once the trial for drug trafficking against him concludes. The trial date has tentatively been set for 28 January 1991. Their concern is that if Panama wins a civil suit [before the criminal trial], Noriega will not be able to pay his lawyers' fees, and they would have to stop representing him. This situation would lead to a delay in the criminal trial. However, Cruz stated that the Panamanian suit would be filed in the upcoming weeks at a Miami court, but acknowledged that that it is up to the executive branch to make that decision. He said that during his visit to the United States he learned that the U.S. justice system is much faster and efficient than ours, where most summary proceedings conclude with the decision to drop the charges. Rogelio Cruz felt the Panamanian penal system must be reinforced and that one of the changes will ban trials where the defendant is absent, which the law now allows.

PRD Faction Reportedly Reorganizing

PA3007201990 Panama City EL PANAMA AMERICA in Spanish 27 Jul 90 p 16-A

[Report by Edwin Wald]

[Text] The "Tendencia," [faction of the Democratic Revolutionary Party, PRD], a political-military organization that emerged from the paramilitary cadres infiltrated by Noriega's G-2 into the Federation of Panamanian Students, FEP, is being reorganized both here and abroad. It is responsible for the murders of Rita Wald, Jorge Camacho, Demostenes Rodriguez, and more recently of Armando Moran, Efrain Guzman Baules, and Alacibiades Vasquez O. This is happening due to the indulgent attitude of our government leaders, the lack of justice, and the negligence of the pertinent authorities.

In Mexico, antidemocratic groups made up of former Noriega followers who were members of the "Tendencia" are currently organizing a party in exile with the participation of former members of the dignity battalions who belonged to the criminal "Tendencia." Meanwhile, in Costa Rica, a self-styled national council of peace and solidarity demanded a safe-conduct for their leader and former legislator, Luis "Lucho" Gomez, who is currently under the protection of the Cuban Embassy in Panama and who has been charged with several crimes and murders, including that of student leader Rita Wald.

Locally, there are reports daily about the infiltration of pro-Noriega people in almost all the government institutions, but mainly in the Attorney General's office, the Public Forces, and the PTJ [Technical Judicial Police], where criminals and murderers of the Noriega dictatorship are being helped to escape. Meanwhile, nobody even tries to stop this injust and criminal complicity that opposes democracy or what's left of it.

Bolivia

Capobianco, Mera Sign Cooperation Agreement

PY3107145590 La Paz La Red Panamericana in Spanish 1130 GMT 31 Jul 90

[Text] Bolivian Interior Minister Guillermo Capobianco and his Argentine counterpart Julio Mera Figueroa have signed a cooperation agreement on border security, customs systems, and antidrug measures.

The Argentine interior minister yesterday met with his Bolivian counterpart and under secretaries. Last night Mera visited President Jaime Paz Zamora at the San Jorge Residence.

In a news conference at the presidential home, the visiting minister explained the goals of the joint working committees. He said the committees will work on regional actions to be performed in the border areas, and that the regional officials will have the authority to sign agreements on matters of mutual interest, which will then be confirmed by international agreements.

He said that Bolivia and Argentina are jointly trying to solve small problems that concern both governments:

[Begin Mera Figueroa recording, in progress] ...to solve the small problems faced by people willing to cross the border. Another objective is to find a definitive solution to the migration problem and the creation of Bolivian and Argentine companies through the [words indistinct] system and the integration system and thus promote and develop activities in Argentina and Bolivia. We will appoint committees to work on these matters. These committees will draft the technical proposals, which will then be discussed in an Argentine town, possibly Salta, before 15 October. [end recording]

The technical committees will meet in September in Santa Cruz de la Sierra to discuss the agenda and topics of the meeting to be held in Salta, Minister Mera added.

Regarding Argentine Government cooperation in the antidrug fight, Mera said his country is willing to sign all the agreements that may prove necessary to enable Argentina to help Bolivia in this fight.

He said Argentina has adopted a defensive policy regarding drug trafficking and that the Argentine Government is doing its best to control the export to Bolivia of chemicals used to process cocaine.

Brazil

Government Submits Budget Bill to Congress

PY3107155390 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Jul 90 Economic Section p B-13

[Text] Brasilia—President Fernando Collor has submitted to Congress a budget revision bill providing for a surplus of 1.22 percent of the GNP for this year. The bill empowers the government to obtain additional credits of up to 2.5 trillion cruzeiros in the 1990 general budget. According to the accompanying comments by Economy Minister Zelia Cardoso de Mello, the funds for those credits will come from the surplus in tax revenues.

This surplus will be generated in two ways: an increase in the revenues, which has been registered as of May, and the addition of the funds obtained through the sale of privatization certificates and revenues from the national privatization program. The recalculation of national treasury revenues include a surplus of 1.1 trillion cruzeiros. The sale of privatization certificates plus the privatization program should yield 318.7 billion cruzeiros.

To pay the expenses generated by the compensation to dismissed state-run company workers, the government is asking Congress to open a special 4.5-billion cruzeiro credit. An advanced amortization of 407 billion cruzeiros will be paid on the public debt that will become due next year. The funds will be obtained through the Central Bank and through privatization.

The bill proposes the creation of additional credits for 1 trillion cruzeiros to provide for the operation of federal government offices and agencies. The bill increases the contingency allowance by 8.8 billion cruzeiros.

Collor Favors Negotiated Foreign Debt Solution

PY3107174190 Rio de Janeiro O GLOBO in Portuguese 29 Jul 90 p 6

[Text] Speaking during a visit to the superior war school [ESG] in Rio de Janeiro yesterday—the first presidential visit in the 40 years the ESG has existed—President Fernando Collor said that the critics who say Brazil has not yet addressed the foreign debt problem "are to some extent right." Collor recalled that for the first time in its history, before undertaking a foreign debt negotiation, Brazil has adopted "its own economic improvement policy." The president reiterated his position in favor of a negotiated solution to the problem.

He said: "We do not want confrontation. We are totally open to dialogue and to the negotiation of formulas that are acceptable to foreign creditors. We make a point of taking action according to our own priorities."

Collor arrived at Galeao Air Base at 0900. Due to bad weather, he took a bus—instead of the scheduled helicopter—from the Ilha do Governador to the ESG, which is located in Urca. The president left the air base at 0910 and arrived at the ESG at 0940, when the rain had already stopped.

Before delivering a speech in the ESG's main hall, he listened to a report on the institution. The report was read by Lieutenant Brigadier of Air Pedro Ivo Seixas, ESG commander. The journalists were not allowed into

the hall but they could listen to Seixas and to Collor via a closed television circuit. President Collor granted no interviews.

During his 30-minute speech to officers and visitors, the president said Brazil must play a role in the international arena and that such a role is essential for the country to overcome underdevelopment. The president deplored that at international talks, subjects like political rights, the environment, and drugs have displaced the drama of misery, starvation, and marginalization. Collor also justified the Brazilian policy of opening its economy, noting that this is fundamental for the modernization of Brazil.

According to the president, the 1990's will be marked by a leap that Brazil will take toward the group of developed countries, with a development model "whose general guidelines," as he put it, "have already been designed." The presence of the state shall be limited to the social, infrastructure, and security areas. Collor criticized the "lack of education, housing, and increasing lack of security" caused by poor living conditions. He stressed, however, that for its development Brazil should not copy "the models of consumerism, waste, and destruction of the environment" of other countries.

The president expressed preference for a strategy that will clearly give Brazil a say in world decision making processes. He analyzed the international situation which, according to him, in the past few months has undergone radical changes, because countries have begun to be measured in terms of their capacity to produce rather than of their capacity to destroy. Collor also noted that "cold war structures are no longer valid."

After his speech, Collor dedicated a plaque at the ESG's Nobre Hall commemorating his visit. The president was accompanied by Carlos Tinoco Ribeiro Gomes, Army minister, General Joao de Moraes Correa Netto, Armed Forces chief of staff, Marcos Coimbra, presidential secretary general, and Pedro Paulo Leoni Ramos, secretary for strategic affairs.

The president, along with his sons Arnon Affonso and Joaquim Pedro, who arrived at approximately 1130, toured the Sao Joao fortress, which is near the ESG, and took a helicopter to Galeao Air Base at 1215. The presidential plane left for Brasilia at 1240.

Collor Vetoes Salary Adjustment Policy

PY3107153790 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 31 Jul 90

[Text] President Fernando Collor de Mello has vetoed the salary adjustment policy drafted by the party leaders and approved by Congress. This draft salary policy provided a salary adjustment based on the former months' IPC [Consumers Price Index] for workers who earn up to five minimum salaries. Those workers who earn up to 10 minimum salaries could adjust salaries every three months based on the former month's IPC calculated by the IBGE [Brazilian Institute of Geography and Statistics]. The salary adjustment policy also includes an automatic adjustment every time inflation climbs more than five percent [no time span given]. Those workers who earn more than 10 minimum salaries may adjust their salaries through free bargaining with their employers.

The presidential veto message states that this salary policy is considered against the people's interest. The president also vetoed the part that allows the inclusion in labor contracts of the achievements obtained through former collective labor bargainings and which formerly could only be reduced or eliminated in latter agreements.

President Collor states in his message that an institutionalized and automatic salary indexation independent from market conditions, implies the perpetuation of the level of inflation and the instability of prices.

President Collor has not vetoed the introductory paragraph of Article 3, which allows trade unions to act on the behalf of workers in labor negotiations.

Collor Announces Resolutions To Aid Economy

PY3107181390 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 31 Jul 90

[Text] The Brazilian Government has put an end to the oligopolies (cartels) for oil and fuel refining and for the transportation of fuel alcohol and oil byproducts. These measures are part of the deregulation package announced by President Fernando Collor at Planalto Palace a short while ago.

The package consists of 20 resolutions aimed at reducing bureaucracy and granting more flexibility and freedom to the economy. Among the resolutions signed by the president, there are some that deal with the suspension of controls on vegetable and animal products, and the end of Dentel [National Telecommunications Department] supervision over radio and television programs. The resolutions also allow broadcasting of programs in foreign languages.

Officials Rule Out Debtors Cartel Proposal

PY3107140290 Rio de Janeiro O GLOBO in Portuguese 28 Jul 90 p 25

[Text] High-ranking officials from the Economy Ministry and Itamaraty have said in Brasilia that the Brazilian Government does not plan to join any debtor cartel. The proposal, which was formulated in 1986 by then Economy Minister Dilson Funaro, was strongly rejected by the developed countries. Today that proposal is considered inconsistent with the position of the Latin American Economic System (SELA), which advocates a path of conciliation, because there is international support for the idea of reducing the debt of the Third World.

The proposal to create a cartel represents an attitude of confrontation and is inconsistent with the current rapprochement between creditors and debtors, an official said.

CTA Said To Help Iraq Obtain Atomic Bomb

PY0108020290 Rio de Janeiro O GLOBO in Portuguese 31 Jul 90 p 15

[Excerpt] In an article published in the 29 July issue of THE NEW YORK TIMES, Garry Milholin, director of the Nuclear Arms Control Project, and David Dantzic, both U.S. nuclear experts, criticized the sale of an IBM super computer to Embraer [Brazilian Aeronautics Company]. They assert that the equipment will be used by the Aerospace Technological Center (CTA) to help Iraq obtain an atomic bomb.

The article contains serious accusations against CTA, including the fact that the center provides Iraq with technology on rocket aerodynamics, flight tests, and rocket guidance controls. Milholin and Dantzic term this aid as outrageous in view of the recent threats made by Iraqi President Sadam Hussein against Israel and Kuwait. [passage omitted]

Government Spokesman Refutes Report

PY0108022490 Rio de Janeiro O GLOBO in Portuguese 31 Jul 90 p 15

[Text] Brasilia—Commenting on THE NEW YORK TIMES article, Itamaraty spokesman Jose Vicente Pimentel stated yesterday that "the Brazilian Government is a responsible organization, and it refutes accusations based on obsolete reports." He added that there is growing confidence in current Brazilian-U.S. relations.

Pimentel said that the Brazilian Government has not received any complaints in contacts with U.S. officials and that Brazil is equally concerned about the use of sensitive technology. Pimentel also recalled repeated statements by Brazilian officials that Brazil does not intend to manufacture an atomic bomb, especially because the Constitution forbids it.

According to Pimentel, the purchase of the supercomputer complies with the provisions of U.S. laws and of Coccon [expansion unknown], the enterprise that regulates the export of products with a dual purpose to East European countries, and the purchaser, Embraer [Brazilian Aeronautics Company], respects them.

The Itamaraty spokesman said it is not the first time that the international press has published accusations of this nature. A government source noted the existence of interests that generate accusations against Brazil and other countries (Argentina among them), which can be related to several things, such as competition between enterprises or the idea of preventing certain countries from acquiring technological independence.

Science and Technology Secretary Jose Goldemberg has interpreted these accusations as "another way of pressuring Brazil to sign the Nuclear Nonproliferation Treaty."

In addition to making at least three factual errors, THE NEW YORK TIMES article shows a tremendous imperialist trend. One of the errors refers to the CTA [Aerospace Technology Center], which does not produce centrifuges or enrich uranium. Another error is the accusation that the Brazilian-FRG nuclear agreement is being used for military purposes; this is impossible because there are safeguards on the entire program.

Aeronautics Ministry Reviews Space Research Plan

PY3107171990 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Jul 90 p A-5

[Report by Roberto Lopez]

[Text] Serious international obstacles and the need to reduce spending have forced the Ministry of Aeronautics to reconsider its space research policy. Minister Socrates Monteiro will no longer insist that the first Brazilian satellite—which is being developed at the National Institute of Space Research (INPE)—be launched into orbit by the rocket known as the satellite launching vehicle (VLS), which is being built by the aerospace technology center (CTA) in Sao Jose dos Campos, Sao Paulo.

In 1988, a simple suggestion to this effect would have provoked indignation in the Aeronautics Ministry. The VLS will now continue to be developed, but with another philosophy, which should open the project to partnerships between Brazilian industries and foreign enterprises. In view of this new situation, the CTA arranged the merger of its space activities institute (IAE)—which was in charge of the VLS—and the research and development institute, which is also subordinated to the CTA.

Two weeks ago, a group created by the Brazilian Commission of Space Activities began to prepare a list of foreign enterprises that have rockets that could launch the INPE satellite in the first half of 1992. The Scout and Pegasus rockets (of the United States), the European Arianespace enterprise, and the PRC and Soviet suppliers will be included in the list. The group is headed by Brigadier Jose Marconi, of the department of research and development of the Aeronautics Ministry, and is made up of Marcio Barbosa, INPE director, and Henrique Valle, who has the rank of ambassador.

Another problem for the ministry is the fate of the Sao Paulo company Orbita, which was created through a partnership between Embraer [Brazilian Aeronautics Company] (a plane manufacturer linked with the Aeronautics Ministry), Engesa [specialized engineers, inc), and a group of smaller industries, to produce missiles and rockets. In three years, Orbita has built no rockets. Embraer superintendent Ozilio Silva wanted to keep

Orbita as a small-sized enterprise dedicated to engineering systems. After the worsening of Engesa's financial crisis, the Aeronautics Ministry has begun to consider the possibility of Embraer buying part of Engesa. Engesa and Embraer each own 40 percent of Orbita's shares.

The first indication that Engesa might be pulled out of Orbita has been given by Orbita Superintendent Sergio Coeli do Prado—a trusted man of Engesa Vice President Vito de Grassi—who has resigned. Ozilio Silva has refused to make any comments. Through an assistant, he merely said: "The law has prevented Embraer from increasing its participation in Orbita."

The crisis began in 1988, after FOLHA reported that the flight of a Sonda-4 rocket—which was used for testing the VLS—failed in October 1987. Then INPE Director Marco Antonio Ruapp was accused—within the Aeronautics Ministry—of having supplied the information to FOLHA.

The Aeronautics Ministry was following the steps by Ruapp with concern. Aware of the technical difficulties that the IAE was facing with the development of the VLS, the INPE director began to consider the possibility of buying a foreign rocket for launching the first Brazilian satellite. This irritated the Brigadiers. Paulo Camarinha, then chief of the Armed Forces Staff charged Ruapp with attempting to "sabotage" the Brazilian space program. Ruapp was dismissed at the beginning of 1989.

The technical difficulties that have prevented the conclusion of the VLS program are for the most part the result of an international blockade that great powers have imposed on the Third World's access to the field of rockets. In 1989, the CTA turned to France and Germany to solve the problems of the sensitive parts of the VLS. The CTA obtained promises, but the promises were not fulfilled.

* Study Warns of Near Capability To Make Bomb

90SM0197A Sao Paulo JORNAL DA TARDE in Portuguese 3 Jul 90 p unknown

[First paragraph is JORNAL DA TARDE introduction]

[Text] Scientists from the Brazilian Physics Society warn that if the military nuclear programs are not rigorously supervised, Brazil may soon have the atomic bomb.

Physicists from the Committee for Monitoring the Nuclear Issue, which is an agency of the Brazilian Physics Association (SBF), issued a warning in Rio de Janeiro yesterday, saying that Congress urgently needs to make preparations for supervising the Armed Forces nuclear programs. The physicists feel that if there is not strict supervision, Brazil may develop the atomic bomb within a very short time. At the Navy's Aramar Experimental Center in Ipero near Sorocaba (Sao Paulo), uranium (the fuel for nuclear reactors and atomic weapons) is being enriched to over 20 percent, and this worries the physicists, since the Aramar plant is part of the (military) parallel nuclear program and is not under the supervision of civilian society and the International Atomic Energy Agency (IAEA), whose headquarters are in Vienna, Austria.

According to an SBF report sent to the speaker of Congress, Senator Nelson Carneiro, a month ago, about 3,000 centrifuges (machines capable of enriching uranium) would enable the Navy at the very least to produce about 20 kg of uranium enriched to an estimated 90 percent (enough to produce a bomb). A report published in the JORNAL DA TARDE yesterday [2 July] revealed that the Aramar Experimental Center currently operates 999 centrifuges and is expanding its nuclear research facilities so as to produce enriched uranium on a large scale. The SBF's physicists also issued another warning, saying that with 150 kg of uranium enriched to 20 percent, the Aramar Experimental Center would be able to obtain 20 kg of 90-percent uranium within a week.

Technical Supervision

Physicists Luiz Pinguelli Rosa, Odair Dias Goncalves, and Fernando Souza Barros of the SBF are issuing those warnings and pointing out that so far, they have not been invited to participate in a broad debate concerning the report they submitted to Congress. The document shows that Brazil is reaching the point where it will be able to produce the atomic bomb.

"We want technical supervision of the nuclear programs, not just courtesy visits to a few units such as Aramar where all we do is drink coffee," commented Souza Barros. According to him, the SBF is not opposed to the progress of technology, but it advocates the supervision of all projects in that field both within the parallel nuclear program and outside of it.

Pinguelli Rosa says that the independent scientific community is waiting to see what is going to happen to the Brazilian nuclear program and "whether the emphasis will be on the parallel program, where the Navy is obviously the leader." Another concern of the SBF's physicists has to do with the report that the task force set up by the Secretariat for Strategic Affairs in Brasilia has recommended a $2-billion budget for the parallel nuclear program so it can build eight reactors for the Navy, the Army, the Air Force, and the National Nuclear Energy Commission.

No Comment

In Brasilia, the military ministers chose not to comment on the JORNAL DA TARDE's report. "Any information on that subject must come from the Secretariat for Strategic Affairs," according to the Information Office in the Ministry of the Army. The response was the same at the Ministry of Aeronautics. As of 1900 hours, Secretary Pedro Paulo Leoni Ramos had not commented on the matter, nor had the Secretariat for Strategic Affairs issued any official communique on the subject.

* Control of Aramar Nuclear Activities Urged

90SM0197B Sao Paulo JORNAL DA TARDE in Portuguese 2 Jul 90 p unknown

[Article by Valdir Sanches; first paragraph is JORNAL DA TARDE introduction]

[Text] The Aramar Experimental Center in the municipality of Ipero is the source of rumors which are worrying the scientific community. It is there that the Navy is expanding its nuclear research facilities in order to produce enriched uranium on a large scale. That uranium can be used to drive reactors and nuclear-powered submarines or to secure the country's admittance to the exclusive nuclear club.

Brazil, which taught itself how to enrich uranium—that being the trick necessary for mastering the nuclear fuel cycle—is now preparing rapidly to produce enriched uranium on a large scale. For better or for worse: for supplying research reactors and propelling a nuclear-powered submarine, which is the official story, or for producing the atomic bomb—as is strongly suspected by interested sectors in the national scientific community, one example being the Brazilian Physics Association [SBF]. "We could produce the atomic bomb without any difficulty," Maximiano da Fonseca, minister of the Navy in the Figueiredo administration, admitted as he testified before a CPI [Congressional Investigating Committee] last week and denied any intention of producing one.

The fact is that the Navy is in a major expansion phase at its Aramar Experimental Center in the municipality of Ipero in the interior of Sao Paulo. That center is the main base for the parallel nuclear program, which was set up 11 years ago, succeeded in enriching uranium eight years ago, and reached an important milestone two years ago: that of enriching uranium to 20 percent. With uranium enriched to three percent, it is possible to run nuclear power plants such as Angra-1. Uranium enriched to less than 20 percent can operate research reactors. If enriched to 20 percent, it can propel nuclear-powered submarines. And at 93 percent, it can explode an atomic bomb.

Using the existing pilot plant in Aramar, it would be possible in principle to enrich uranium to 93 percent. But it would not be feasible in practice because the process would take many, many years. The crucial factor is the number of centrifuges—high-precision machines in which uranium is enriched in a cascade system (meaning that it passes from one machine to another until the desired enrichment level is attained). To reach a high level such as 93 percent or to obtain large quantities enriched to 20 percent, thousands of centrifuges are needed. That is why Aramar is preparing rapidly.

Report

What exists there today is a pilot plant consisting of two units: MC-2, which covers 1,500 square meters and has 90 centrifuges, and M-0 (M-Zero), which covers 3,000 square meters and has 900 centrifuges. But over the past two years, three large buildings known as M-1, M-2, and M-3 have been erected. Those three structures almost completely fill a 24,000-square-meter plateau. A simple calculation enables one to conclude that if M-0's 3,000 square meters contain 900 centrifuges, an area of over 20,000 square meters will hold more than 6,000 centrifuges. That is enough to enrich uranium to 93 percent.

"Provided that one has enriched uranium, the device (the atomic bomb) can be built and tested easily in less than one year and with complete confidence and safety." That is one of the disturbing points brought out in a report sent to Congress by the SBF a little over a month ago. In that report, the SBF drew attention to Aramar's activities and asked that Congress establish "a national system of safeguards to prevent the possible diversion of those materials for the production of nuclear bombs." One passage in the report, which was obtained by reporter Tania Malheiros of the ESTADO Agency, warns: "The issue considered crucial at the moment is that of control over the enrichment of uranium so as to prevent the production of raw material for a nuclear-fission bomb."

Borehole of the Right Size

The report mentions the borehole discovered a few years ago by the press at the Air Force base in the Cachimbo Mountains in Para. Its size—one meter wide and 335 meters deep—is "consistent" with that of the kind of borehole needed to test "a nuclear device of low technical efficiency but with explosive power similar to that used over Hiroshima." The bomb, which uses 18 kg of uranium enriched to 93 percent, would be cheap: "The cost, with enriched uranium available and with the borehole already drilled, is cheap. Practically the only thing left would be the salaries for half a dozen technicians. At a rough estimate, the total would not exceed $2 million."

Physicist Ennio Candotti, chairman of the SBPC (Brazilian Society for the Advancement of Science), now complains: "Our persistent requests for clarification concerning the borehole in Cachimbo have never been answered." Last week he and his colleague Luiz Pinguelli Rosa of the SBF submitted a new report to Congress with the same warnings about signs that Brazil might moving toward the production of an atomic bomb. This second report states that the task force set up by the Secretariat for Strategic Affairs to analyze the direction being taken by the Brazilian nuclear program has concluded that the government should build nine nuclear reactors over the next few years. Of that total, three would be for the Navy, one for the Army, and one for the Air Force. "Those reactors have no purpose except that of serving the internal interests of the three services," says Candotti. "There is no scientific justification for them; they will serve simply to strengthen each of the services."

Candotti's concerns, which are also expressed in the SBF's report, cover other pertinent points. Brazil has not

signed, nor is it showing the slightest intention of signing, the Treaty on the Non-Proliferation of Nuclear Weapons, under which several nations pledge themselves to the peaceful use of nuclear energy. The Angra-1 power plant and equipment resulting from the cooperation agreement signed with the FRG in 1975 are inspected by the International Atomic Energy Agency. But the parallel nuclear program under way at Aramar (which was pursued secretly for nine years before being discovered by the press two years ago) is not subject to supervision of any kind. And what the scientists want is precisely that: they want Congress to hire qualified personnel and begin supervising the parallel nuclear program—since the Constitution permits the use of nuclear energy only for peaceful purposes. A recently established joint congressional investigating committee has begun hearing testimony from such people as former Minister Maximiano da Fonseca. He explained that the secrecy of the parallel program was in response to external pressure, chiefly from the United States, "which is trying to mess up everything it can." But he could not explain the existence of the borehole in Cachimbo.

Another concern of the physicists is the fact that under the Collor administration, the CNEN (National Nuclear Energy Commission)—the sponsor of the parallel nuclear program—has been transferred from the National Security Council to the Secretariat for Strategic Affairs in the Office of the Presidency. "The military-strategic character of control over nuclear energy is being retained," say the physicists. If that were not the case, the CNEN ought to come under the Secretariat of Energy or the Secretariat of Technology in the Ministry of Infrastructure.

In any case, the Aramar Experimental Center is remaining very active on its 300 hectares in the locality known as Fazenda Ipanema (which outsiders are not allowed to enter) in the small municipality of Ipero near Sorocaba, 120 kilometers from Sao Paulo. Its centrifuges are completely Brazilian-made and are built at Aramar itself by one of the plants there: the Mechanical Components Factory (Facom). Many parts are supplied by industry, especially by firms in Sao Paulo—which, during the time that the activities in Aramar were a secret, did not know what the parts and electronic components ordered with precise specifications would be used for. But Facom is increasing its own capacity: first it bought a computerized high-precision lathe, and now it has bought another—an Italian CNC-brand lathe—that is accurate to 1/100th of a millimeter.

Phases of Project

An expert connected with Aramar, engineer Gilberto Gomes de Andrade of the IPEN (Institute for Nuclear and Energy Research)—where the first prototype machines were developed and the pilot enrichment of uranium was carried out—explains the need for so many centrifuges: "They will provide a level of production consistent with the needs of the Aramar site beginning now." How many centrifuges will meet those needs "is secret information." "But there are enough to support the program," with "later phases" already being anticipated.

One of those phases will be the construction of Renape-1, a pressurized water power reactor like Angra-1. Plus the facilities for manufacturing its first core—the charge—and the reloads. At the moment, the project is in the earthwork stage (with much activity by the construction equipment even on holidays). The Renape project ("Renape" stands for "National Power Reactors") goes farther than just the construction of a reactor. "Together with the CNEN, Aramar wants to develop those reactors. They want to establish the industrial structure for manufacturing the entire reactor," says a well-placed source.

Engineer Andrade says that the uranium enriched to 20 percent at Aramar will also be used to increase the IPEN's research capacity by raising it first from the current two megawatts to five megawatts and then to 10 megawatts. "And it will also support other research reactors in the country." Another large section of the Aramar site—where earthwork is also under way—will be the site of the fuel cycle facilities, "with a few demonstration plants for converting the uranium into UF_6, or uranium hexafluoride. UF_6 is uranium in the form of gas, the state in which it is sent to the centrifuges for enrichment.

The least innocent visible product of the entire program is, however, the reactor for the nuclear-powered submarine that the Navy wants to build perhaps in the year 2000. A submarine that only has nuclear propulsion is not a weapon, say the defenders of the project in response to the scientists, who consider a nuclear-powered submarine to be itself a weapon of war.

'Foolish' Technology

The possibility that in addition to the other projects (or with them as a pretext), the enriched uranium in Aramar may be used to produce an atomic bomb does not impress Andrade: "There is always that specter of the bomb. The first bomb to be exploded anywhere in the world was detonated almost 45 years ago (a test by the Americans on the Bikini Atoll in 1946 during World War II [as published]). It would be inadmissible for Brazil not to master a technology that is 50 years old." The decision to produce the bomb, therefore, "is political, not technological." Reiterating what the people involved in Aramar (and former Minister Maximiano himself) have been saying, Andrade argues that "it is not reasonable to use the bomb as a pretext for limiting the country's technological development."

Statements like that sadden physicist Ennio Candotti, who considers nuclear technology "old and foolish, from the 1950's." "Nowadays, the intelligent thing is to invest in areas such as electronics—optical memory for data processing, for example. Defense today means technological mastery—it means facing up to the challenges in high-tech areas."

Convinced that "the military have not given up on the bomb," Candotti considers nuclear development for that purpose "thoroughly unethical." "And if the intention is development for peaceful purposes, there is no reason for the program to be under the control of military institutes. It is as though Eletrobras [Brazilian Electric Power Company, Inc.] were to suddenly start producing guns."

Brazil Has Its Own Technology

Brazil is paying interest of $1 million per day for the Angra-2 and Angra-3 power plants—with the former being in an interminable construction phase and the latter not even started. The cost of each of those plants stands at around $3 billion. In Angra-2's case, nearly $2 billion of that $3 billion have already been spent. And Angra-1, which began operating in 1983, has had serious problems. It has never operated satisfactorily.

But an even worse feature of the deal made with the FRG—the cooperation agreement signed in 1975 for construction of the plants—concerns the enrichment of uranium. "We wanted to acquire the entire fuel cycle, and the FRG agreed. But because of the safeguards imposed by the United States, it eventually reneged on its intention to transfer the ultracentrifugation process for enriching uranium to us," says nuclear engineer David Simon, former director of Nuclebras [Brazilian Nuclear Corporations, Inc.] (the state-owned enterprise responsible for that program). He is regarded as the "father of Angra-1."

Ultracentrifugation is the process which the parallel nuclear program (the autonomous program established in 1979) later wound up developing on its own with no transfer of foreign technology and which resulted in the profusion of centrifuges at the Aramar Experimental Center. Under the partnership established with the FRG in 1975, Brazil wound up with the so-called jet nozzle process for uranium enrichment—a process whose effectiveness had not yet been proven (but for which a plant was nevertheless built in Resende, Rio de Janeiro). "It was a total fiasco. It was an expensive and difficult process and one without a future," says Simon.

Uranium Enrichment in Cascade

Why is it necessary to enrich uranium? In the form in which it exists in nature (Brazil has the world's fifth-largest reserve, estimated at 300,000 metric tons), uranium consists of isotope 238 (99.3 percent), which is fertile, and isotope 235 (only 0.7 percent), which is fissionable—that is, it is suitable for nuclear fission. And that is why it is the fissionable isotope which is of interest from the standpoint of power plants and nuclear devices. Fission occurs when neutrons bombard the nucleus of a uranium atom, causing it to split. That releases the energy which drives a plant's reactor or causes a bomb to explode.

To increase the percentage of fissionable material (the enrichment process), the uranium is converted into gas (UF_6, or uranium hexafluoride) and sent to the centrifuges in that state. Rotating at extremely high speed, the centrifuges separate the two isotopes, with the result being higher quantities of—fissionable—isotope 235. Separately, the centrifuges have only a small enrichment capacity. Because of that, they are interconnected and work as a "cascade." Enrichment may stop when the fissionable isotope rises from the original 0.7 percent to 3 percent. That percentage is high enough to operate a nuclear power plant. If the process continues until the uranium is enriched to 20 percent, the result is fuel for a nuclear-powered submarine. And if it continues even further—to 90 percent—the result is the bomb.

* Collor Views Congress, State Reform, Debt

90SM0169A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Jul 90 pp 4-5

[Interview with President Fernando Collor on 3 July 1990 at Planalto Palace in Brasilia]

[Text] Brasilia—President Fernando Collor gave assurances yesterday that during his administration there will be no second intervention in the economy on the scale of the New Brazil Plan, "because the fact is that Brazil cannot stand another economic plan." In speaking with the editors of six Brazilian newspapers of national circulation, the president predicted that inflation will probably not exceed three percent in August. For a little more than two hours Collor also addressed topics such as the parliamentary system of government, relations with Congress, wages, governmental reform, the foreign debt, and industrial policy. He said that if he had to go back to the beginning of his administration, "I would do exactly the same thing, in the same way."

Smiling, the president pointed to the oil painting behind him in the conference room of his office at Planalto Palace, and at a little after 1000 hours opened the conversation. "You certainly know who the person in the portrait is," he conceded. It was without question Dom Pedro I. "A few days ago," Collor continued, "I asked a director of the Bank of Brazil if he recognized the man in the painting, beside which the chief of the president's military household, General Agenor Homem de Carvalho, was standing. The bank director, who is a good-humored fellow, responded without hesitation. 'I do not know who the man in the portrait is,' he said, 'but the other one is General Agenor.'"

When the interview granted to the six journalists—Roberto Muller of the GAZETA MERCANTIL, Marcos Sa Correa of the JORNAL DO BRASIL, Ronaldo Junqueira of the CORREIO BRAZILIENSE, Evandro Carlos de Andrade of O GLOBO, Alon Feuerwerker of the FOLHA DE SAO PAULO, and Augusto Nunes of the ESTADO DE SAO PAULO—ended at ten minutes past noon, it was clear that in the Brazil of today, remembering the names of the generals is a rule that migrated from the ABC of politics to the manuals on etiquette. For two hours Collor spoke of virtually all of his concerns, none of which relate to the military.

Wearing a dark blue three-piece suit, shirt with stripes of yellow semitones, tie with blue and red triangles, and gold tieclip with matching cufflinks, Collor was circumspect and tense in his initial responses. At ease following a half hour of dialogue, however, he voiced his conviction that the civilian government had been consolidated, although he views with skepticism the future of the presidential system of government. "An enduring democratic system is incompatible with the presidential system of government," he declared at one point. Coming from a head of government who has centralized the decisionmaking mechanisms as very few of his predecessors had done, the remark was certainly surprising. Similarly, his emphatic praise for the laws of the market economy sounded somewhat paradoxical coming from the man who directed the most extensive governmental intervention in the economy in all of Brazil's history.

Following are the principal portions of the interview:

[Reporter] Although there is a consensus on the need for modernizing our industrial establishment and for eliminating the obstacles to the inflow into Brazil of products that embody a more sophisticated technology, many are now suggesting that an element of naivete has been present in the notion that it would perhaps be better to negotiate this matter rather than turn it over gratuitously to the international business community.

[Collor] We have discovered two serious problems with respect to Brazil's ability to modernize. The first involves the relations between capital and labor. That is to say, the government has always been tempted to resolve the problem of capital-labor relations by the indexation of wages and prices. The second problem relates directly to the failure to expose our industrial establishment to competition. There has always been a temptation—in response to the demands for increased efficiency through competition—to offer protectionist measures and set up offices for record-keeping.

We had to solve these problems somehow, with vigorous decisions and even with boldness. How was the capital-labor problem to be resolved? By fighting tenaciously to avoid indexation, because indexation will present the nation with only two alternatives: on the one hand hyperinflation—which develops within a very short period of time and whose upper limits are difficult to predict because of its magnitude—and on the other hand a brutal recession. As for the second problem, we could no longer live with our industrial establishment—which is modeled on a very interesting pattern—without gradually exposing it to competition. What we established was a new industrial policy and a new foreign-trade policy that were perfectly compatible not only with our thesis but also with the commitments we made during the campaign and with our economic platform.

At no time was naivete present in any form as we were developing these policies, for the very reason that they are perfectly concordant with what I have been talking about.

[Reporter] My question is about wage policy—about whether the government is really pushing the nation toward a policy of open negotiation. Won't it be obliged sooner or later to compel companies—in such open bargaining—to enter into a discussion concerning profits?

[Collor] Exactly. Moreover, it is constitutional. The Constitution provides for the institution of worker—of employee—participation in company profits. As in the case of other articles in the Constitution, the only step remaining is to regulate these provisions by means of a "complementary law."

[Reporter] But it is not just profit-sharing. Should there not be mechanisms—or should it not be the practice—for companies to open their books in a specified manner, and without the necessity of virtual intervention by a labor union, so that they can say, "See, this is how much I can offer..."

[Collor] Please understand that what we want is open bargaining, established on the classic model. Whether a company opens or does not open its books is a subject for open negotiation between the company and the workers. The government cannot interfere in this, but it can indeed offer its services in regulating the provisions of articles such as the one I mentioned, which provides for participation by workers in company profits.

The main thing with regard to this question of wage policy is to establish a temporary mechanism that will lead us away from a process of total intervention by the government in labor relations and toward one of open negotiations. In other words, establish an instrumentality that in some way will prevent workers from suffering hardship because of the behavior of some employers who lack the proper social consciousness, and to create this mechanism within our society through congressional action and subsequently through the possibility of an accord that we were on the verge of concluding, with the participation of everyone—employers, workers, consumers, and the government—and which unfortunately was thwarted by the resistance of those who opposed the accord, doing so perhaps because they failed to appreciate fully the importance of the moment.

After that we sat down and made another attempt, via Congress. The accord was not reached, and I realized that the end of the first legislative session and the beginning of the recess were approaching. It was then that an agreement was arrived at among the party leaders to the effect that there would not be time to pass the wage bill and the government should promulgate a temporary measure so that the nation would not remain without any parameters. Another reason was that a number of labor disputes were being adjudicated in the TRT's [Regional Labor Courts] and the TST [Supreme Labor Court], and preliminary rulings were being made granting readjustments of 160 and 180 percent. Why was this occurring? Because the judges themselves had

nothing on which to base a decision concerning the percentages that were being requested. Moreover, with the recess at hand, we could not go 30 days without giving this matter our attention. And that is what we did, on 27 June: We sent up a temporary measure, by agreement with Congress except for those political parties that constitute—let us be frank about it—this systematic opposition.

But Congress was annoyed when the measure was presented, for no reason other than that it had not legislated the measure, and the members of Congress speedily began to prepare a wage policy that carried indexation in its belly. We had to fight against this. The temporary measure incorporates a readjustment process that is based on the last 12 months, with the matter being referred to the data base. The currency supply shrank by three percent—something unheard of in our country. We are also continuing our sound fiscal policy, as everyone acknowledges. The progress made by the administrative reform has no precedent in our country's history, if we take into account the enterprises and local governments that were liquidated and the councils that were abolished. As for privatization, some are asking: "But why hasn't it begun?" Because we are also dependent on Congress for this. Creation of the Privatization Commission had to be approved by the Chamber of Deputies, which did so last week. The matter was then sent to the Senate, but the Senate has not acted on it.

[Reporter] Don't you believe it was a mistake for your administration to announce economic reforms and administrative reforms simultaneously, knowing that this would meet with harsh opposition from the state enterprises and the governmental bureaucracy?

[Collor] No, I do not. I believe we had to begin by doing that. Also because I have had some previous experience, for although the dimensions are different the problems are more or less the same. I was faced with these problems as mayor of Maceio and as governor of Alagoas. Moreover, we have to comply with the Constitution. The Constitution says, in its temporary provisions, that "the Union, the states, and the municipalities may not use more than 65 percent of their current receipts for the payment of personnel." Any amount over this 65 percent limit is to be reduced by 20 percent each year: in other words, there is a five-year grace period to accomplish this.

And I ask: How can you comply with this constitutional provision if you are unable to terminate anyone because of the fact that civil servants have job security? You are prevented from reducing their salaries, and you cannot put them on leave with pay proportional to time in service, because—at least for the time being—this is the decision of the Federal Supreme Court. As we all know, it is not a definitive decision, but the Supreme Court has ruled—at least preliminarily—that leave must be at full pay.

[Reporter] But then wasn't the goal of 360,000 dismissals a very daring and well-advertised action?

[Collor] Everything depends on one's style. And something like this depends a lot on how you want to go about it. We had to shake the country and wake it up. When I established the 100-day deadline, it was to speed things up and say that these measures were a serious matter.

If I had not set the 100-day deadline, after 30 days in office the people would already be saying, "My goodness, the president was elected and so far he has not done anything. A month has gone by already." Then when I spoke in terms of 100 days and at the same time evaluated the entire government with a view to taking effective action, I also suggested to the public that they say to themselves, "Well, the president actually has been in office for 60 days. Let us wait until it has been 100 days."

In other words, the dismissals must be speeded up. This is the inference to be drawn. And we also ran into another problem, which we are solving. As everyone knows by following the story daily in the DIARIO OFICIAL—a story that is being reported in normal fashion—we reached an agreement with the workers to suspend the dismissals temporarily. Criteria are being established, especially in the state enterprises. But the job will be done. It is being done.

[Reporter] Mr. President, you have divided the elites roughly into two categories: the modernizers, and those who are not interested in the nation's future. Can you cite some sectors or entities that belong in these two categories?

[Collor] With the permission of all of you, but especially of Augusto Nunes, I would ask that we not assign any labels, so as not to create certain types of constraints. We know, and have noted, that there is in our country an elite that is a responsible elite. It is, to be precise, an elite that does not need favors from the government, that renounces these favors, that is surviving competitively regardless of the government. It is elites such as this that I would call modern and competitive.

There are also those entrepreneurs who are able to survive only with government assistance. That is to say, when government aid—government collaboration—is withdrawn, when the government's record-keeping is withdrawn, when government protection is withdrawn, they do not know how to survive. They represent stagnation.

[Reporter] How do you plan to proceed in your relations with Congress in an effort to broaden your congressional support base before the elections, and how do you plan to influence the elections so as to be able to form a congressional support bloc during the next—and final—four years of your term in office?

[Collor] There is total and absolute incompatibility between a presidential regime and a political-party

system that is strong, cohesive, and doctrinal. If it is true that a democracy can be a durable system only when it finds a support base in parties that are so constituted, we shall be able to conclude—without in any way succumbing to catastrophism—that a durable democracy is incompatible with the presidential form of government.

We waged an election campaign that was initially regarded as nothing more than a harmless adventure by a young governor of a state. As the campaign progressed, however, it turned out to be much more than that. During this process, and when my numbers in the public opinion polls were already encouraging, I received various offers of support from individuals who wanted to join the party, which had just been founded.

And I never did anything to encourage this development. The proof is that the PRN congressional delegation never exceeded 21 or 23 deputies at any time during the campaign, although I could have made a start at swelling the ranks of the PRN during that period. After the election, the situation speaks for itself: the first president to be elected in 30 years, in two rounds, and so on and so forth. All this considerably enhances the allure of government, which already has a very strong attraction for those who have a materialistic and opportunistic concept of the political process.

And at no time did I agree to the creation of a strong party, the creation of a majority party, or the establishment of coalitions based on personal interest. I wanted our alliances to be made on the basis of an ideal. In other words, I wanted all of us to realize the significance of the difficult moment through which the nation was passing, and the fact that we might not be given another opportunity to solve these situations within the framework of a democratic system.

[Reporter] Have you not adopted, for the economy, the thesis of a war to end all wars? You carried out this intervention so that there would not be any further federal intervention in the economy.

[Collor] No, there cannot be any. This is precisely why we are seeking to maintain the general lines of the Plan and to consolidate it—because people are talking about a "Collor Plan II," saying there will be a Plan II. There is not going to be any Plan II. The Plan is this one, the one now in place. And we are demonstrating that it is indeed the one now in place, because we are surrounding this plan with every safeguard. That is the proof: there is no Plan II. Because the fact is that Brazil cannot stand another Economic Plan. The Plan is the one now in place...

[Reporter] Mr. President, you spoke for two hours with the people and never once uttered the two magic words, "foreign debt." Is this an indication of the priorities and methods of your administration?

[Collor] No. The foreign debt has lost its...not its importance, to be sure. It is on our agenda of problems to solve. It is a part...

[Reporter] Has it lost its priority status?

[Collor] I would not use the word "priority." It has perhaps lost—let us say, its velocity—in this initial phase because of all those reforms that were carried out: that is to say, the expediency with which the matter was being handled, precisely because everyone understands, however imperfectly, that this is an initial phase of the implementation of an economic program—a phase of adjustment to that program—and we have to see how the situation develops so that we will in fact know on what bases we can propose renegotiation of the debt. However, we have never been for an instant out of contact, right? When Minister Zelia goes to Washington on official business, she always includes the foreign debt in her agenda and is always talking with the general manager of the IMF, the president of the World Bank, the manager of the Paris Club, and so on. So we are indeed not out of contact.

[Reporter] You have not wanted to interfere in the formation of political parties. You have not wanted to inject yourself into the process of changing the electoral system, and it is not appropriate for you to do so. Is your role that of emancipating the bureaucracy from politics? Is it true that the fewer the mechanisms linking the public administration to partisan political interests, the nearer we are getting to the parliamentary system of government?

[Collor] Undoubtedly. I believe all this tends to facilitate—smooth the way to—the parlamentary system...

In talking with me the other day, Deputy Delfim Netto said that he spent—I believe—something like 17 years as minister and ambassador. As he passed through Washington after leaving the embassy and before becoming a candidate for federal deputy he visited the Federal Reserve, where he met the same individual who had headed the Federal Reserve bureaucracy 17 years before. The same individual, in the same room. Administrations had come and gone, treasury secretaries had been dismissed and replaced by other treasury secretaries, and when the secretary of their so-called Central Bank entered the room—there stood our friend. When as a candidate I paid a visit to Italy, that country had been without a prime minister for 50 days.

[Reporter] And the people did not find it strange.

[Collor] That is right. No one found it strange. Not that a prime minister was not needed—obviously one was needed—but the machinery was functioning naturally and normally because there was this bureaucratic professionalism. Here, imagine—and in this I must congratulate Dr. Ulysses not only for this remark but for various other comments of his—but specifically for this one—when he said, "How can we establish the parliamentary system in Brazil so long as there is a Funrural [Fund for Social Assistance and Welfare for the Rural Worker]?" There are similar entities, but this one is typical and mobilizes masses of people. The Funrural representatives in a municipality, however few in number, mobilize

vast political interests. Consequently, as soon as we have that professionalized bureaucracy we have already taken a big step, for you can have an efficient bureaucracy only if merit is a requirement. Without merit we cannot have efficiency. If we do not have efficiency, we cannot have a bureaucracy that is respected and that compels respect.

[Reporter] Now that a little more than those 100 days have passed, if you had to select one thing that you have done and could do it differently, what would it be?

[Collor] Do differently.... You can see that I have some difficulty in answering. There would not be anything. I believe I would do the same thing. I would do exactly the same thing, in the same way.

[Following paragraph is O ESTADO introduction] President Fernando Collor said he is trying to remain neutral in the regional contests in the October elections. He declared that as someone who attained office at 40 years of age by direct vote in elections that were contested in two rounds, he "has no right to make enemies." In his interview yesterday Collor also defended his style of conducting the office of president and said it is perfectly possible to govern under the Constitution of 1988.

[Reporter] I would like to know if you are going to support candidates for state governor, if you are going to make campaign speeches, and what your criteria will be in supporting candidates for state governorships and for congress in the October elections.

[Collor] ... My position with respect to these elections will be one of absolute neutrality. Absolute neutrality. The best example is in my own state of Alagoas, where we have two candidates, both of whom have been associated with me for many years but were unable to come to an understanding. Each is running as a candidate for a different party. What I cannot do is by my action to attempt in some way to change the voters' mind, because I have already suffered a great deal despite my short time in politics—have already suffered a great deal, and everything that I...in all the contests in which I have participated I fought almost alone, with a group of half a dozen persons, and fought quite hard, fought hard. I therefore believe that each candidate should make the journey on his own, should make his own way. I shall therefore not intervene at any time—either in behalf of a majority candidacy or in behalf of a proportional candidacy...

[Reporter] With the people going into the second round, an alliance of governors also does not interest you?

[Collor] No, it does not.

[Reporter] If the price you pay for this attitude on your part is having to govern with a congressional minority, that does not cause you the slightest problem either?

[Collor] In Alagoas, for example, I governed for two years and two months with a legislative minority. Obviously, gentlemen, this is much more difficult—and complicated.

[Reporter] In this case it is five years, is it not?

[Collor] In this case it is five years, but I cannot succumb to the temptation.

[Reporter] Here is a concrete example. In the case of the state of Rio de Janeiro, the second round will probably find an adversary of yours, engineer Leonel Brizola—who was your adversary in the most recent elections as well—opposing Senator Nelson Carneiro, the PMDB [Brazilian Democratic Movement Party] candidate. Even if that occurs, will you remain neutral in the Rio de Janeiro election?

[Collor] Yes, I will. Because there is one thing that is fundamental, and I think about it day and night. Someone like me, who at the age of 40 was elected president of the republic by direct vote in two rounds, in his capacity as president of a country such as Brazil has no right to make enemies.

[Reporter] Are you helping to refute the maxim of former president Jose Sarney to the effect that it is not possible to govern with the present Constitution?

[Collor] No, I am not. I am governing. Under this Constitution we are carrying out the most extensive economic reform in our country's history and one of the most extensive in the world, without any kind of discretionary mechanism at our disposal. Just as everything that is new, this is creating some difficulty—because a new Constitution is a new transaction—as is also the fact that the president... "But this president," people say, "riding a motorcycle and jet-skiing—why, this fellow does not let up even on weekends." But that is the way it is, because when habits change... For example, if I arrive at the office early in the morning and do not have the daily papers at my side, I have already lost my normal work rhythm.

Accordingly, when a habit suddenly changes, as for instance when instead of arriving at 0600 hours the newspaper begins to arrive at 1000 hours, you already feel somehow disturbed. You can get used to it eventually, as people do get used to things. In this respect, the same thing is true of the Constitution. "Under this Constitution, no one can govern," some say. Under this Constitution, which contains an article that limits interest rates to 12 percent per annum, the financial market cannot function, for example. But everything is functioning!

The distortions are of a different nature, however; they constitute enormous problems, and the resistance we have encountered is enormous. There is the problem of legislation, generally speaking.

[Reporter] You had the advantage of catching them on the rebound.

[Collor] Yes, but that was because we took action immediately. It was on Friday or Saturday that in the same hour I telephoned the head of the Military Household to involve him and congratulate him, and finally to involve

the minister of the infrastructure. Decisions have to be made promptly. There is even the problem of beer labels, that is to say, a beer label in Brazil may not be in more than three colors. If someone wants to start a brewery here and wants to have a label in four colors, he is prevented by law from doing so.

Chile

Aylwin's Visit to Brazil, Peru Assessed

PY3107200190 Santiago Radio Chilena Network in Spanish 1700 GMT 31 Jul 90

[Text] The government has stated that the recent trip by the president to Brazil and Peru reveals that Chile is once again a full member of the Latin American community. This statement was made by Secretary General of Government Enrique Correa who said that promising prospects have been opened for Chilean international relations.

He said that the visit that Aylwin paid to Brazil has strengthened the friendship ties between two nations who are once again walking along the path of democracy and who share the objectives of modernizing and opening their economies. He reiterated that over the next few weeks a high-level work group will seek agreements to facilitate reciprocal exchange and to progress toward a Chilean-Brazilian economic supplementation agreement.

As for the president's visit to Peru, Correa said that the fact that Aylwin attended the inauguration has shown the profound appreciation of the Chilean Government and people for democracy.

[Begin Correa recording] The visit also helped to strengthen the excellent Chilean-Peruvian ties, paving the way for cooperation between the two countries. The contacts made with other Latin American chief of states permitted the exchange of views on matters of common interest and allowed us to strengthen our relations within the region. [end recording]

On behalf of the president, Correa expressed thanks for the expressions of appreciation by the Brazilian and Peruvian Governments and people.

The secretary also condemned the threats issued by the ultrarightist self-styled (?Gabriel Rodriguez Alcaino) group against two directors of the mass media and against a group of MIR [Movement of the Revolutionary Left] leaders. Correa said that the group responds to minority groups that are outside the process currently under way in our country.

Correa concluded by saying that the government is investigating the origin of this ultrarightist group.

Foreign Minister Criticizes Baron's Proposal

PY3107142590 Santiago Domestic Service in Spanish 1100 GMT 31 Jul 90

[Text] Foreign Minister Enrique Silva Cimma has said there is no need for a mediator to hold talks in reference to the proposal, made in La Paz by the loquacious and out-of-place European Parliament President Enrique Baron, to mediate the Bolivian maritime claim with Chile.

Silva said that he knows nothing about the proposal made by Baron. Regarding the Bolivian claim, Silva said he would like to refer to the comments made by President Patricio Aylwin during his recent visit to Brazil and Peru. He recalled that during a news conference, in answer to a question regarding the Bolivian claim, Aylwin categorically said that there is no need for a mediator to hold talks. He reiterated that the Bolivian landlocked situation, as Aylwin said, is not on any agenda.

Commando Threatens Journalists, Leftists

PY3107190190 Santiago Radio Chilena Network in Spanish 1700 GMT 31 Jul 90

[Excerpts] The only thing that the self-styled (Gabriel Rodriguez Alcaino) commando wants is to frighten members of the mass media that have reported the atrocities committed by the previous regime. This statement was made to Radio Chilena by (Livio Perez), director of PAGINA ABIERTA. (Perez), other journalists, and leftist political leaders received threats.

The commando claims that the 23 persons who have received threats are responsible for hundreds of crimes in which they participated as either planners or perpetrators. [passage omitted]

(Perez) said that he will file the respective report with the investigations police and that he will file a writ of amparo with the courts.

The journalists' association condemned the threats against the directors of PAGINA ABIERTA and the director of PUNTO FINAL magazine, (Miguel Cavieses). The association conveyed its solidarity with the professionals who received the threats, calling upon the authorities to adopt the necessary measures to avoid the perpetration of such threats.

The (Gabriel Rodriguez Alcaino) commando, which according to (Livio Perez) is an ultrarightist group, issued threats also against MIR [Movement of the Revolutionary Left] leaders, among whom are Nelson Gutierrez, Hernan Aguilo, Roberto Moreno Burgos, Patricio Rivas, Antonio Roman, and Agueda Perez.

The publisher and the chief editor of the weekly EL SIGLO, Juan Andres Lagos and Guillermo Torres Gaona, respectively, have also received death threats from the (Gabriel Rodriguez Alcaino) commando.

Lagos and Torres received letters that are similar to the letters sent to the 23 journalists and politicians. The letters to Lagos and Torres, however, had an addendum that read: Take care Marxist murderer. We are watching you.

In view of this, the direction of EL SIGLO reiterated its commitment to truth, to journalistic investigation, and to the investigation into the human rights violations committed by the previous regime. EL SIGLO demanded a comprehensive investigation from the authorities in order to identify the authors of the threats.

Government Investigates Money Laundering

PY3107151990 Santiago Domestic Service in Spanish 1100 GMT 31 Jul 90

[Text] General Horacio Toro, retired, director of the Investigative Police, said there are already indications of the existence of money laundering in Chile and that Chilean organizations are making a profound study of the problem.

Toro added that information is being gathered from other countries which have more experience with this problem. In this regard he indicated that concrete steps will be taken in the next few days. Studies are also being made at the Interior Ministry level to warn organizations and the community of this threat which could be very harmful to Chile.

Belisario Velasco, under secretary of the Interior Ministry, said that in the last three months the Interior Ministry has been studying not only money laundering but all the mechanisms related to drug trafficking. He made this comment in relation to the information disclosed by Horacio Toro about indications of money laundering. Velasco added that fortunately this is a minor problem in Chile. He added that all the necessary measures should be taken, first of all, to prevent the use of drugs, especially cocaine; second, to prevent Chile from becoming a transit corridor for sending drugs to other nations, and third to prevent money laundering which obviously must be kept under control.

Velasco also disregarded the possibility of more crimes in the country because subversive activity has been reduced. He added that common crimes still prevail. He said that the measures being implemented by Carabineros are producing good results.

Colombia

Barco, Borja Inaugurate National Border Center

PA3107162090 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 31 Jul 90

[Text] In what could be his last trip abroad before ending his term on 7 August, President Virgilio Barco today met with Ecuadoran President Rodrigo Borja on the Rumichaca bridge on the border between the two countries, in the southern part of the Narino Department. The two presidents shook hands halfway across the bridge that joins the two countries on a cold and slightly rainy day. At midday they inaugurated the national border center, an organization that will end a series of bureaucratic problems that has hindered normal bilateral trade development. The building, which is located on the Colombian side of the border, has modern immigration and customs offices. President Virgilio Barco said in Rumichaca that drug traffickers cannot be allowed to use our borders to traffic in drugs and guns. He also asked the Ecuadoran Government for its cooperation in exerting greater control over the sale of explosives that illegally enter Colombia.

[Begin Barco recording] We cannot allow narcoterrorism to take advantage of a friendly border in order to carry out their sinister aim of destruction and death in Colombia by using illegal trafficking in explosives. We should not allow the border to become a drug traffickers' ally. [end recording]

Ecuadoran President Rodrigo Borja said that his government is taking police and military steps to prevent the continued sale of dynamite, which ends up in the hands of drug traffickers. The meeting took place amid strict police and military security on both sides of the border.

Defense Minister on Extraditables' Communique

PA3107161890 Bogota Radio Cadena Nacional in Spanish 1200 GMT 31 Jul 90

[Text] Bogota—Defense Minister General Oscar Botero Restrepo has said that drug terrorists have confessed with great cynicism, in the Extraditables' latest communique, their participation in the crimes and atrocities perpetrated in Colombia.

When asked about the unilateral truce announced by the Extraditables, Gen. Botero Restrepo stated that the aforementioned communique is a full confession of the drug traffickers' participation in brutal crimes. He added that the proposal made by drug traffickers is cynical, and reiterated that the Armed Forces will continue their struggle against drug terrorism.

Gen. Botero Restrepo confirmed that Colombian and Ecuadoran authorities have agreed to increase cooperation to neutralize the contraband of dynamite by Colombian drug traffickers.

Dijin Tries To Locate Property of Noriega Pilot

PA3107140490 Bogota Radio Cadena Nacional in Spanish 1210 GMT 31 Jul 90

[Text] Bogota—The Dijin [Directorate of Judicial Police and Investigation] staff is continuing its operations to try to locate property belonging to (Roberto Stringer), personal pilot of former Panamanian dictator Manuel Antonio Noriega. Last week, DEA agents arrested (Stringer) in Miami. (Stringer) had evaded a dragnet by

the police's F-2 unit in Colombia's eastern plains and in Bogota. From Bogota, he flew to Miami.

The Dijin and DEA conducted a joint operation to capture this Medellin Cartel member who had ties to Noriega. In its operation the F-2 confiscated a farm belonging to (Stringer) in the eastern plains and two luxury estates in Bogota. Also seized were weapons, communications equipment, and spare parts for light airplanes and helicopters, worth over 1 billion pesos.

When Noriega's pilot fled Bogota, the DEA in Miami was informed and was able to arrest him at a home purchased from former U.S. President Richard Nixon. The same house was used as the set for the Scarface film.

Right-Wing Paramilitary Group Offers To Disband

PA3107202590 Hamburg DPA in Spanish 1922 GMT 31 Jul 90

[Text] Bogota, 31 Jul (DPA) An ultraright paramilitary group, headed by well-known mercenary Fidel Castano Gil, today told the Colombian Government that it would demobilize and abandon its violent activities if the Maoist guerrilla group Popular Liberation Army (EPL) successfully concludes its peace talks. Castano Gil, who in past months reportedly moved away from the Medellin Cartel drug traffickers, which he served as one their "mercenary leaders," stated in a message that he was prepared to stop all armed operations.

The paramilitary chief, better known as "Rambo," is accused of killing hundreds of leftist, union, and human rights leaders in northern Cordoba and Antioquia Departments. According to official investigations, "Rambo" ordered the kidnapping and murder of 42 peasants participating in a local celebration on 14 January in a town near the city of Turbo, Antioquia Department. Weeks later, the bodies of some peasants, with vicious signs of torture, were found in an unmarked mass grave located on Castano Gil's farm.

When newsmen asked him about the paramilitary proposal, President Virgilio Barco Vargas merely replied that his government, which will end next week, has always been prepared to hold talks to find peaceful solutions to the country's armed conflict. Other "peasant self-defense" groups, also regarded as ultraright paramiliary groups by the government, expect a positive answer from the government to begin talks for disbanding.

According to the secret police, armed organizations from the extreme right were financed in past years by the drug trafficking mafia, turning them into its "private army," and trained by mercenary Israeli experts.

Quintin Lame Issues Communique on Peace Proposal

PA3107183390 Bogota Radio Cadena Nacional in Spanish 1200 GMT 31 Jul 90

[Text] Popayan—Our movement continues the dialogue process with the government to seek political solutions to the problems of the country, said members of the Quintin Lame commando group from the mountains of the Cauca Department. They added that due to the negotiating process, all their fronts are currently meeting to analyze the government's peace proposals in a region to the north of Cauca Department.

In a communique issued today, the Quintin Lame Movement states: "We deny that militants of our movement have anything to do with the deaths registered in recent clashes. We maintain our position regarding the dialogue, and we denounce the existence of groups that are interested in sabotaging the peace processes in our country."

Paraguay

President Rodriguez Meets Japanese Lawmakers

PY3107205590 Asuncion PATRIA in Spanish 28 Jul 90 p 7

[Text] Yesterday afternoon President Rodriguez held a special meeting with a delegation of Japanese lawmakers headed by Senate President Yoshihiko Tsuchiya. Rodriguez and the distinguished visitors discussed matters related to cordial bilateral relations as well as future projects aimed at strengthening cooperation in several sectors.

Also attending the meeting were Japanese Senators Masaaki Takagi, Hisamitsu Sugano, Yasumatsu Hoshikawa, Japanese Charge d'Affaires Hiroshi Funakoshi, and Hidehiko Oishi, translator and employee of the Japanese embassy.

Foreign Minister Frutos Discusses Integration

PY3107130190 Asuncion ABC COLOR in Spanish 28 Jul p 90

[Interview with Foreign Minister Alexis Frutos Vaesken by Pepa Kostianovsky; place and date not given]

[Text] [Kostianovsky] The Foreign Ministry has been criticized for not giving an effective response to various problems. As a new minister, are you finding many tasks pending?

[Frutos] A new minister finds many things to be done, obviously. Since this government came to power and a new era began, the need has been felt to project the new image of the government and to seek a real integration with other countries, especially with countries in this area.

[Kostianovsky] Integration has always been mentioned in speeches. Are there possibilities for effective integration, thus following the international trend?

[Frutos] We see that Andean countries are being integrated. The example set by Europe tends to be imitated. There is even a project for the commercial integration of the United States, Canada, and Mexico that is making progress. So, our countries have to follow suit.

[Kostianovsky] Does that mean that we consider integration in purely commercial and economic terms?

[Frutos] The EEC example has proven the efficiency of such an integration.

[Kostianovsky] Would regional integration be an objective by itself, or would it be an instrument to seek more advantageous relations with the large markets of the world?

[Frutos] If we want to establish relations with those markets, we have to seek a way to gain importance and then negotiate on equal footing. The world is shrinking in the sense that the barriers of distance are breaking. Just like the EEC represents a huge potential market for us, we can speak of a large market of natural resources and advantages down here that can be made to count.

[Kostianovsky] Would a common market be sought in the area?

[Frutos] A common market or at least free market zones between countries should be sought.

[Kostianovsky] How can a project for relations and integration without discrimination be considered in view of the government's prejudice against the East European countries, despite the changes that have taken place here and there?

[Frutos] Perhaps prejudice exists, but I think we must begin to get rid of it. We must think of the need to at least maintain economic relations first. We must not forget that Paraguay had diplomatic relations with Yugoslavia at a time when there was less liberalization in than country than there is in East Europe now. So, there is no explanation for not having relations with other countries.

[Kostianovsky] There are themes that are constant when foreign relations are mentioned, the waterway is one of them.

[Frutos] Our government considers the waterway a priority. We have to be generous regarding the waterway since it includes an important stretch of the Paraguay river. This project will benefit Brazil and Bolivia especially, but it will have some advantages for our development.

[Kostianovsky] Do you consider your ministry's budget sufficient?

[Frutos] I believe that the Foreign Ministry's operation must be streamlined.

[Kostianovsky] What do you mean?

[Frutos] Resources, including human resources, should be redistributed. There is an excess of officials in the consulates and embassies of some countries, while their number should be increased in others, considering the prospects for economic and commercial relations with these countries. This is the case in Brussels where the seat of the EEC headquarters is, the United States, the East, and naturally the neighboring countries. On the other hand, there are many consulates that are not needed.

[Kostianovsky] Would the interest be merely commercial?

[Frutos] No, there are many other aspects in a relationship that can benefit with good diplomatic representation. This is the case with Venezuela, a country with strong democratic organizations that is the headquarters of international labor organizations. Therefore, it is important to seek a fluid relationship with this country.

[Kostianovsky] In other words, do you think that a reallocation of resources will make an efficient diplomatic service possible?

[Frutos] That is correct, for the time being. We will see what needs exist at the end of the year.

[Kostianovsky] Another matter of concern are our relations with Brazil. The terms of the Itaipu Treaty have even been called one sided. Do you think a renegotiation of the treaty, in an attempt to correct the disadvantageous terms under which Paraguay shares the electricity production, is feasible?

[Frutos] International treaties can always be reassessed and reviewed. It is a matter of looking into the possibilities of renegotiating certain conditions in view of how such agreements were drawn up. However, the Itaipu Treaty is something to which I do not wish to give a definite answer. You must not forget that I have only been in this post for a few hours and still have not even had time to get acquainted with this ministry.

[Kostianovsky] The subject of illegal passports is another issue on which the Foreign Ministry has not given a satisfactory answer. Our newspaper has published documents involving various ministry officials in the matter. What do you have to say about this?

[Frutos] All I know about the subject is precisely what you have published. I still do not know how much progress has been made on the investigations into the case, but I can assure you that this is a subject that will be investigated. The subject of passports deserves special attention, not only regarding the category of documents issued but, especially, to whom they are granted.

[Kostianovsky] This question might sound rather impertinent, but it seems odd that, as he left the Foreign Ministry, Argana turned in four vehicles he used. What does the foreign minister need three luxurious cars and one pickup for?

[Frutos] Precisely, those vehicles are now stored in a warehouse. I have just handed out the keys of two of these vehicles to be used to transport an Argentine delegation paying an official visit to our country. It is quite likely that these vehicles were at Argana's disposal for cases similar to the one I have just mentioned.

[Kostianovsky] A little more than a week ago our country was the scene of an illegal international incident. Brazilian policemen entered our territory to arrest a group of delinquents who had hidden in Paraguayan territory. This suggests that they chose to do this rather than go through the legal process of extraditing the delinquents. If international crime, drug trafficking, terrorism, kidnapping increase, shouldn't the countries of the area agree on an automatic extradition procedure that may expedite the repression of such crimes?

[Frutos] This is precisely one of the topics raised during a recent justice ministers' meeting in Buenos Aires that I participated in. I can assure you that that is not the only aspect of our law that needs to be updated. Remember that 90 percent of the prisoners in our country were never sentenced. Therefore, we must reorganize the system to prevent the injustices these situations imply.

[Kostianovsky] Lastly Foreign Minister, let us talk about the political aspect of your appointment. The president of the Republic does not seem to like his ministers spending their time in political activities, or at least in sectarian activities. How do you feel about having your partisan political activities restricted?

[Frutos] Personally, I feel that this post demands all the time I have. If I have accepted the Foreign Ministry it means that I intend to devote all my capacity to it. Political activities not only demand time but also attention: whoever engages in political activities must devote great attention to this activity and my job at the ministry will demand all my energy.

[Kostianovsky] Do you believe a ministry is a full-time job?

[Frutos] I do not want to generalize, some ministries might demand less work than others. But, in my case, it is a full-time job.

[Kostianovsky] Your appointment, as well as Estigarribia's as justice and labor minister, has been praised by various sectors but not by the traditionalist Colorado Party faction to which both of you belong. Do you believe your sector has withdrawn its support for you?

[Frutos] I do not believe the traditionalist sector disapproves of our appointment. I have heard and read in the newspapers favorable commentaries by traditionalists. I, by no means, feel they have withdrawn their support for me.

Integration Agreement Signed With Argentina

PY3107175390 Asuncion EL DIARIO in Spanish 31 Jul 90 p 13

[Text] The governments of Paraguay and Argentina yesterday signed two new agreements as part of the Economic Complementation and Subregional and Border Integration Agreement. One of the agreements establishes a single control on the San Roque de Santa Cruz International Bridge over the Parana river, and the other is related to animal health.

The act for the installation of the Permanent Protocol Working Group for Regional and Border Integration was also signed. The group includes the identification and creation of new bilateral instruments in the areas of the committees on health, agriculture, livestock and natural resources, tourism and culture, commerce and industry, border conventions, and transportation.

Foreign Minister Alexis Frutos Vaesken initiated the permanent group's meeting at the Yacht and Golf Club Hotel. He said that the group's goal will be to strengthen the links of the two countries in terms of integration.

Raul Carignano, Argentine secretary for Latin American Affairs, who signed the agreements with Minister Frutos Vaesken, said that the agreements are a real challenge for the officials of the Argentine governorships gathered under CRECENEA Litoral (Provinces of Formosa, Chaco, Santa Fe, Misiones, Corrientess, and Entre Rios), and Salta.

It is expected that the "common zone" in the southern cone countries will be fully implemented by 1994 because the high levels of the governments involved have the political will to do so.

Carignano reiterated his recognition of the facilities provided by Paraguayan officials for real integration.

Minister Frutos Vaesken said that "integration must be forged with the spirit of agreement and good neighborliness." The two officials also played down the obstructions being made by border officials in mutual trade.

Congress To Investigate U.S. Military Presence

PY3107170990 Asuncion ABC COLOR in Spanish 31 Jul 90 p 7

[Text] Antonio Salum Flecha, chairman of the Foreign Relations Committee of the Chamber of Deputies, yesterday reported that the committee will investigate the recent presence in our country of U.S. military personnel, whose entry into our country was not authorized by Congress. A senior officer has reported that members of the Paraguayan and U.S. Armed Forces conducted "joint civic action exercises" up until 21 July.

The Democratic Popular Party (PDP), a recently created leftist organization, yesterday sent a note to the Foreign Relations Committee requesting that "a responsible investigation" be conducted regarding the foreign military presence on our territory.

The PDP note, which was signed by Victor Bareiro and Hugo Richer, states that some morning papers reported a few days ago that "regular U.S. troops are participating in a joint military operation known as Handshake 90 [Popyhy 90; in Guarani] with Paraguayan Army personnel in our country."

Article 149 of our Constitution states that Congress has the power "to permit the entry into our territory of regular foreign military personnel and to order the deployment of Paraguayan forces abroad, except in cases in which international courtesy is involved, in which case this power will be exercised by the executive branch."

Salum Flecha said that the note will be considered and that Foreign Minister Alexis Frutos Vaesken will be asked to report on it.

To find out the reason for the presence of U.S. soldiers in our territory, we made an inquiry at the U.S. Embassy here. A member of the USIS office at the U.S. Embassy said the embassy had no information on the subject and that if U.S. military personnel entered the country it must have been at the invitation of the Paraguayan Army.

The USIS official advised us to contact Colonel Gerardo Rodriguez Britos, who confirmed the joint military operation, but declined to give details.

A senior officer, who asked not to be identified, reported last night that the U.S. personnel participated "in a joint civic action" with our Armed Forces 7-21 July. He said there were approximately 200 U.S. soldiers.

The officer said Congress was not informed because these were fraternal activities, not war exercises. He noted, however, that he was not aware of the Paraguayan laws on this subject.

The senior officer said these exercises have been conducted over the past six years without problems.

Attorney General Refuses Request To Resign

PY3107173090 Asuncion RPC Television Network in Spanish 1550 GMT 31 Jul 90

[Text] Here is a last-minute report: Justice and Labor Minister Hugo Estigarribia has asked Attorney General Diogenes Martinez for his resignation. Diogenes Martinez has said that he will not resign, and here are his remarks:

[Begin recording] [Martinez] I wanted to talk to the press to officially clarify the report about a request for my resignation. The report is true. Yesterday Justice and Labor Minister Hugo Estigarribia asked me to resign. I asked him for a reason, and he said that there was no reason. I then said that he, as a lawyer, should know what means must be applied to remove or replace an attorney general. The Constitution, the code of judicial organization, clearly establishes how to change an attorney general. I have no ethical or legal reason to resign. This is what I wanted to clarify to the public.

[Reporter] Do you have any personal issue with Minister Hugo Estigarribia? Why would he ask you to resign?

[Martinez] I have nothing personal with him. It is notable, however, that he is acting like this just a few days after taking over the ministry, especially when it is well known that the Attorney General's Office has documents from the Itaipu Binational Entity about a company which had a monopoly over all the surveys made on the land that was purchased for the Itaipu Dam. We are talking about millions of dollars that Itaipu—and therefore the Paraguayan people—have already paid and will be paying. The large sums that have been paid must be returned to the people.

The company to which I am referring is Indesa [expansion unknown], and it is headed by Hugo Estigarribia. I am surprised by this situation. We have the documents that include the contracts, and we are making a thorough study of the possibility of irregularities. We have not yet reached a conclusion on the investigation.

[Reporter] Are you going to resign or not? Or have you already resigned?

[Martinez] I told Estigarribia that I have no legal or ethical reason to resign. I have not resigned and I will not resign.

[Reporter] If your resignation was requested, President Rodriguez must be aware of it.

[Martinez] I do not know if that is true. [end recording]

Justice Minister Comments

PY3107180090 Asuncion RPC Television Network in Spanish 1625 GMT 31 Jul 90

[Telephone interview with Justice Minister Hugo Estigarribia Elizeche by reporter Mercedes Barriocanal; place given—live]

[Text] [Barriocanal] How are you, Doctor? Good afternoon.

[Estigarribia] Good afternoon, how are you? I am pleased to talk to you. First, I would like to know what Attorney General Diogenes Martinez said, because I have not heard it yet. I would appreciate it if you could brief me on it.

[Barriocanal] Well, on the one hand, he raised some charges. In fact, I do not have the exact, precise information, but it deals with the Itaipu Binational Entity. He mentioned that you were responsible for a firm, I believe he said Indesa. On the other hand, he said he would not resign from his post as attorney general. He even quoted the words you used to ask him for his resignation. He said you had told him that he must resign as attorney general. This is what I can briefly tell you about the remarks he made just a few minutes ago.

[Estigarribia] Well, I first want to tell you that one thing has nothing to do with the other. I can clearly explain both things. First, I want to tell you that I asked the attorney general to see me yesterday to convey to him—which I did—in the name of the president of the

Republic, a request for him to resign from his post. He asked me about the reasons for this action and I told him that I was not apprised of the reasons, but that the president was requesting his resignation from his post. The attorney general told me he did not have any personal or legal reasons to tender his resignation and, well, that he would wait and see what the executive branch does.

Regarding the charges he mentioned, I do not know what type of charges he is talking about. I doubt very much that Dr. Martinez could raise any charges. If he is talking about a private company in which I was involved as an attorney, I can say that that was an honest, professional activity of which I cannot be ashamed. On the contrary, I am proud of it.

[Barriocanal] The attorney general has in fact insisted on stating that there was no reason for his removal from his post. He said his performance was morally, ethically, and professionally unblemished and that in no way could he be removed from his post. He firmly said that he would not step down, that he would not tender his resignation. Reporters accredited to the Palace of Justice even told him that some names were already mentioned to replace him. He also denied this report.

[Estigarribia] I want to tell you that the attorney general is appointed at the request of the executive branch with the concurrence of the State Council and the Senate. From this standpoint, it is a post of confidence. The executive branch entrusts to him the role of representing the state and the people as attorney general. Under these circumstances, when a principal asks his proxy to stop representing him, the proxy is ethically and morally obliged to resign. This is what the president did regarding Mr. Diogenes Martinez.

[Barriocanal] We would like to add some details about Mr. Martinez' charges. He said he had a folder on Itaipu that involves you, with very large payments made for land affected by the Itaipu dam. I don't know if the picture is now any clearer to you.

[Estigarribia] Yes, I am sure he is going to find that folder because it involves a business activity carried out by a consulting firm, Indesa, which engaged in a professional, technical activity in which neither figures nor sums of money were involved. All this was exclusively handled by the Itaipu Binational Entity. Thus, if he is trying to link our technical, professional activity with payments made by Itaipu to owners of private land, then that is a subject he has to raise with the Itaipu Binational Entity, not with a consulting firm that was hired to carry out specialized services and which had nothing to do with figures or money.

[Barriocanal] Finally, Dr. Estigarribia, is there a confrontation between you and Dr. Diogenes Martinez? Are you going to insist on asking him to resign? How is this problem going to be handled, because he has firmly said he is not going to resign?

[Estigarribia] There has been absolutely no confrontation, nor there will be any confrontation with Dr. Diogenes Martinez. As minister of justice and labor, which is linked to the office of the attorney general, I conveyed to him the request for his resignation. Now, the position he might take is something that will have to be studied. If he persists in his decision not to resign, the appropriate measures will be taken. I believe, however, that he must keep in mind that when the principal does not trust his proxy, the proxy ought to think twice before continuing to give his services to the principal.

[Barriocanal] Dr. Estigarribia, thank you for this telephone conversation. We will be awaiting further developments.

Colorado Party Journalists To Publish Magazine

PY3107185390 Asuncion PATRIA in Spanish 31 Jul 90 p 3

[Text] The first issue of the Colorado weekly EL MENSAJERO, which is published by a group of Colorado journalists, will be presented at 1900 today. Leaders of the National Republican Association, senators, deputies, presidents of party precincts, youth leaders, and fellow party members have been invited to attend the ceremony, which will be held at the Union Club.

The publishers said the weekly is not the mouthpiece of any party faction and that it will advocate the unity of the Colorado Party. They said that the contents of the magazine will go beyond factions and that it will guide the Colorado people on the basis of the party ideology and doctrine.

The magazine will be analytical and will cover local political events and party activities.

Human Rights Committee Questions Peasant Arrests

PY3107165490 Asuncion ULTIMA HORA in Spanish 28 Jul 90 p 8

[Report by Adolfino Aquino]

[Text] Ciudad del Este—Members of the Chamber of Deputies Human Rights Committee yesterday visited more than 160 peasants who are being held in the government delegate's headquarters in Ciudad del Este. Regarding the arrest, the committee verified that there was an arrest warrant drawn up by Judge Ruben Candia Amarilla, but it did not specify the names of the arrested. Because of this irregularity, Deputy Francisco Jose De Vargas said that the judge "should be fired."

The peasants who were detained are from various locations, including CRYSA [a Japanese settlement], San Luis, and Nueva Alianza in Yguazu District and Kilometer 28, Monday District.

The peasants reported that they were violently evicted from CRYSA yesterday by the Joint Task Force, which used tear gas and beatings.

The peasants also said that had been awaiting the arrival of members of the IBR [Agrarian Reform Institute] to resolve the conflict through an agreement with the involved parties when the Joint Task Force evicted them on 26 July. They said that during the military operation a woman had her ribs broken and a pregnant woman lost her child as the result of a beating.

The only arrest warrant the committee was able to see was a confusing warrant drawn up by Judge Ruben Candia of Ciudad del Este, which ordered the "preventive custody of Pedro De Vargas Vallejo, Juan Coronel Medina, Julio Damian Aquino, and any other individuals found at the location." The arrest was harshly criticized by Congressmen Francisco Jose De Vargas, Miguel A. Aquino, Maria Jose Rolon, Antonio Nunez de Lopez, and Sandino Gil Oporto, who demanded the release of the peasants because the "arrest warrant is not valid." The government delegate promised that the peasants would be released in the next few hours.

River Plate Project's Financial Agent Designated

PY3107164190 Asuncion ABC COLOR in Spanish 28 Jul 90 p 11

[Text] The financial fund for the development of the River Plate basin (Fonplata) was designated yesterday as the "financial agent for the waterway project," according to a resolution adopted by the sixth special meeting of Fonplata governors, which ended last night in Asuncion. The project provides for the navigation improvements on the Parana and Paraguay Rivers.

The decision, which reflects the priority that Fonplata members—Paraguay, Argentina, Brazil, Uruguay and Bolivia—have attached to the waterway, entails significant support for the integration process in the economic field.

The resolution states that the organization "has proven its ability to manage funds allocated for studies, projects, and integration works. Consequently, Fonplata is considered the appropriate organization for acting as financial agent of the five River Plate basin countries, for all steps linked with the financial assistance to the Paraguay-Parana, Puerto Caceres-Puerto Nueva Palmira waterway."

The resolution states; "Fonplata will support, in keeping with its own policy, the steps and activities leading to the implementation of the Paraguay-Parana waterway project. The executive board will design the methods and procedures for the relations between Fonplata and the financial agencies that participate in the project."

The Fonplata meeting was held at the Hotel Excelsior yesterday. It was presided over by Paraguayan Finance Minister Enzo Debernardi, who was unanimously elected to the position.

The meeting was also attended by Uruguayan Economy and Finance Minister Enrique Braga, Argentina's temporary governor Gregorio Recondo, Brazilian Ambassador Orlando Soarez Carbonar, and Bolivian representative architect Jorge Urquidi, all of them with their respective assistants.

After reporting on Fonplata's performance in the previous term, outgoing executive board director Dr. Rocha e Silva stressed that Fonplata must be one of the few regional organizations that has produced a surplus. Prudent and austere fund management produced a $9-million surplus in the previous term.

Rocha e Silva reported that the disbursement of loans amounted to $125 million, which recipient countries will use for studies on improving the highway network, port facilities, education, agricultural and livestock production, and as pre-investment for other projects.

For his part, Dr. Efrain Dario Centurion, the new Fonplata executive board director, reiterated: "Fonplata will continue with its policy of supporting integration in the vast River Plate Basin, which has more than 3 million square km and a population of more than 90 million. He added that all loans have a very important multiplying effect."

He added that Fonplata will continue to sign agreements with regional organizations like Intal [institute for Latin American integration], ALADI [Latin American integration association], the Andean Development Corporation, the Central American Bank, and the EEC.

The Fonplata governors also approved the budget for 1990, providing an income of $10.5 million and expenditures of $2.1 million.

The executive board approved a $230,000 loan that will be used for a feasibility study for a new access highway to the port of Asuncion.

Commander Garcete Discusses Role of Armed Forces

PY3107150090 Asuncion ABC COLOR in Spanish 29 Jul 90 p 5

[Text] Division General Ramon Humberto Garcete, commander of the 1st Army Division, has asked the Paraguayan people to keep calm and has noted that the Armed Forces "will guarantee peace and seek well-being for the entire nation."

Asked about the role that the Armed Forces are playing in this transition toward democracy, the commander said that "the entire people can be calm and have confidence in their Armed Forces."

"We are trying to improve the training in our barracks, dedicating ourselves exclusively to our professional duties," he stressed.

Asked about the dismissal of Division General Otello Carpinelli Yegros from the post of commander of the 3d

Army, which is headquartered in Mariscal Estigarribia, Garcete replied that the appropriate investigations are being performed. The military courts have begun investigations into Carpinelli in the wake of a plane crash in the Chaco. The plane was carrying a shipment of hides.

Carpinelli was replaced by Brigade General Solano Ignacio Gamarra, while General Dario Gonzalez Duarte, the commander of the 6th Infantry Division who is also involved in the case, was replaced with Colonel Evelio Benitez.

Cavalry Commander Rejects Discrimination

PY3107144190 Asunion ABC COLOR in Spanish 29 Jul 90 p 5

[Excerpts] Brigadier General Lino Cesar Oviedo, commander of the 1st Cavalry Division, yesterday said: "We have always been open and liberal. We are against discrimination and we maintain that position." He added that the action of the Armed Forces must be "clear" and they should be known by the people. He added: "There is no reason to hide anything from the people. That is what democracy demands." In this regard he said that the investigation related to the relief of General Otello Carpinelli Yegros will be known by the public.

"We are against discrimination. We advocate equality and fraternity," said Oviedo yesterday in Cerrito during the celebration of the 60th anniversary of the creation of the Coronel Mongelos 2d Armored Cavalry Regiment. [passage omitted]

Asked about the activities of the Armed Forces at this stage of the current process Oviedo said: "We want the people to know what we are doing and what we are not doing. As of 3 February 1989 the people are aware of our activities because our actions and all other public activities should be crystal clear." [passage omitted]

Laino Opens PLRA Party Convention

PY3107140190 Asuncion ULTIMA HORA in Spanish 28 Jul 90 p 10

[Text] Speaking at the opening of the PLRA [Authentic Radical Liberal Party] extraordinary convention this morning at the Rowing Club, PLRA President Domingo Laino said: "PLRA members are not antimilitary."

In what could be interpreted as the PLRA position on the military issue, which will be one of the issues to be discussed at the PLRA convention, Laino commented on the "constitutional role" of the Armed Forces "which must be subordinated to the democratically-elected political power."

In addition to deciding on the amendment of the party's statutes, over which there are some disagreements; and on some agreements among party factions, the PLRA convention must also review the persistent party affiliation of military and policemen on active duty. The PLRA will also adopt a position in this regard because although the new electoral code does prohibit party affiliation of Armed Forces members, it is not a retroactive measure.

Speaking to conventioneers representing 212 PLRA grassroots committees, Laino said: "We are firmly struggling against the perversion of the Armed Forces' noble constitutional goals and objectives and against the Armed Forces' meddling in political activities."

In his speech Laino discussed the activities carried out by the PLRA board since May 1988. He noted the unity agreements achieved with the PLR [Radical Liberal Party], which must be approved by the extraordinary convention that ends on 29 July.

Laino added that in 1989, the PLRA ceased to abstain from participating in government affairs and "as a member of the opposition sector, it became the main supporter of the democratic transition process."

He said: "For the good of the country, the PLRA decided to take part in the 1 May 1989 elections despite the fact that it was at a disadvantage, like all other opposition sectors."

Laino stated: "As is well known, these were not clean elections. We took part in them because the Paraguayan people demanded political institutions to assume this responsibility in order to consolidate a peaceful democratic transition process, which is what we have been doing all along."

The PLRA convention that opened this morning will also establish the date for the next internal party elections, which will probably be held on 30 September.

Convention Decisions Reported

PY3107154290 Asuncion ULTIMA HORA in Spanish 30 Jul 90 p 10

[Text] After two days of intensive negotiations, the Authentic Radical Liberal Party [PLRA] convention has decided, among other things, to condemn party affiliations for the military and police officers, to increase the participation of women and peasants in leading organizations of the PLRA, and to approve the unity agreement signed with the PLR [Radical Liberal Party]. PLRA leaders described as "positive" this party convention which, unlike previous PLRA conventions, was characterized by a relaxed atmosphere and a prevalence of consensus proposals and resolutions.

The last issue discussed by the convention, which closed after 2300 last night, was "to support the Armed Forces institutionalization process," in keeping with the PLRA position on this issue. The PLRA expressed its commitment to achieve "legislation leading to the complete institutionalization of the Armed Forces in keeping with the constitutional order." It stressed the need to repeal

Stroessner's 1980 amendment to the military statutes, which paved the way for party affiliations for military officers.

The almost 500 conventioneers reasserted their "condemnation" of party affiliations for active-duty military personnel.

The amendment of party statutes was an issue discussed at length by the conventioneers. Numerous changes were made to adapt the party statutes to the new Electoral Code, and it was decided to increase the number of party board members from 30 to 45. It was also decided that a third of the board must be made up of representatives from the interior of the country.

A proposal sponsored by PLRA women requiring that women comprise 20 percent of all leading party organizations was not approved. But the convention did "recommend" granting "greater participation" to women.

It was also decided not to extend the mandate of the party board, but the current members were entrusted with continuing board activities until internal party elections are held in September. A five-member electoral court will prepare the party elections.

The convention also approved the agreement through which the PLR joined the PLRA, hailing the accord as a "historic" act toward the unity of liberalism. PLR leaders attended some sessions of the PLRA convention and voiced their agreement with the eventual complete unity of the Paraguayan liberal sector.

Peru

President Fujimori Speaks With Reporters

PY3007154090 Lima Television Peruana in Spanish 2045 GMT 29 Jul 90

[Interview with President Alberto Fujimori by local and foreign reporters; place not given—live; broadcast in progress]

[Excerpts] ...not even 1,000 of them have been sentenced. And they have to live in such conditions! The mothers and the sons of those prisoners are demanding justice.

Peruvian justice is not really justice. It is not even-handed, because the poor, those making a marginal living, have to stay in jail for long periods of time because drawn-out procedures, bureaucracy, and bribes are necessary. Those are the things we must eliminate in Peru.

[Rolando Carvajal, from the PRESENCIA newspaper of La Paz, Bolivia] Mr. President, my question has to do with a trilateral Peruvian-Bolivian-Chilean issue that stems from the 1879 war. During his administration, President Alan Garcia said that Peru might allow Bolivia access to the Pacific coast through land that was previously part of Peru's territory. I would like to ask you about your opinion on the subject and your government's position on relations with Bolivia and Chile.

[Fujimori] Peru has every desire to arrive at a solution that will allow our brother country, Bolivia, to achieve the possibility they so desire. Yet the subject is covered under trilateral international agreements, and we are very respectful toward this. We will cooperate, with understanding toward Bolivia and Chile. Peru will maintain a good attitude. Taking advantage of the visits by Bolivian President Jaime Paz Zamora and Chilean President Patricio Aylwin, we analyzed our relations. I am sure that our relations will be much closer in the near future.

[Victor Fortes, PAGINA LIBRE] Mr. President, like my colleague, I would also like to ask you two questions, one of which refers to public enterprises. In your speech yesterday you said that there is a plan....

[Fujimori, interrupting] I beg your pardon?

[Cortes] ...that there is a plan to reactivate public enterprises. What is this plan to reactivate strategic enterprises, which are not only carrying deficits but are practically bankrupt, such as Petroperu [State Petroleum Agency], which your government decided to maintain? The other question has to do with the economic readjustment plan. Does this plan provide for a temporary or short-term indexation of salaries and wages? We should take into account the fact that setting prices at their real value will mean raising current prices.

[Fujimori] As for public enterprises, they are in a serious situation that has led them to the brink of collapse. This problem has been caused by several factors, which have to be resolved. [passage omitted]

One of the first measures to be adopted is the readjustment of public utility rates. Second, each state-run company should be streamlined. Each company must plan its own development as a function of the service it must provide to society. Each company must increase its efficiency and its profitability. Employment with state-run companies should not be considered as bureaucratic assignments, as positions in which employees live at the state's expense, at the expense of the people's money.

Consequently, streamlining measures are necessary. This does not necessarily mean dismissing people. No, it means designing a more efficient business structure. [passage omitted]

As for salaries and wages, no indexation will be enforced, especially taking into account the indexation that was imposed in the past. We will preserve the purchasing power of the people. Unfortunately, this means maintaining—at least for some time at the beginning—the low purchasing power that is the result of the crisis situation, in which monthly salaries are equivalent to $30 or $35 and in which underemployment runs very high. We want to correct these conditions.

This correction may affect some sectors but, since my government wants to preserve the interests of the people and defend the classes that have been ignored for so long, we will adopt the necessary emergency measures. We are taking firm steps ahead and, fortunately, we have the cooperation of several friendly countries.

[Carlos Nunez de Vinaga, from AGROMERCADO magazine of Argentina] Mr. President, as an agronomist, what urgent measures will you take to promote Peru's farming sector, which for a long time has been used to the benefit of the city populations?

[Fujimori] The measures that we will adopt have a clear objective. You will agree with me that we cannot go against economic laws. We must turn agriculture into a profitable activity. Prices for farm products should not be too low. [passage omitted] The measures will therefore establish better prices for farm products, so that farming can actually be a profitable activity. [passage omitted]

[Lourdes Ventura, Channel Four Television] Mr. President, what criteria will be followed in creating the moralization committee that you announced at Congress yesterday? Will committee members be designated on the basis of their own personalities or their posts?

[Fujimori] The participation of the people in government decisions and the proper channeling of public opinion is one of the issues about which we are concerned. We do not want to just impose measures from Government House or from the ministries. [passage omitted]

I will therefore ask the people about the qualifications that the members of this moralization committee must meet. [passage omitted]

[Lisa Rommel, Radio Television Italiana] Mr. President, as for terrorism and poverty, you have said that both factors are closely related. Why is there terrorism in Peru, and why is there poverty all over Latin America?

[Fujimori] I welcome the charming Italian journalist, despite the fact that her question does not match her beauty. [laughter]

As a matter of fact, there is extreme poverty in other Latin American countries. We know of other places where there is poverty but no terrorism. But I would like to refer only to the Peruvian situation. Foreign journalists, who are very curious, certainly must have observed the ignored areas of our Andean region. In those areas they must have seen the extent of poverty in Peru. I am not very familiar with the poverty of other countries, and I would not like to make comments on situations outside my jurisdiction.

Poverty in Peru, however, has reached an inhuman level. It reflects a lack of sensitivity by society, by governments, and by the leading class, who have been unable to fathom the seriousness of this problem.

The figures speak for themselves. We commented yesterday on the declaration of childrens rights. The status of children is the best measure of the economic situation in a country. The Peruvian infant mortality rate, eight percent, is one of Latin America's highest. The relative incidence of disease among children is probably the highest in the continent. Malnutrition affects 50 percent of our children, and a large percentage of children in the mountain region suffers from mental retardation.

It is therefore easy to conclude that there is poverty and injustice, because a great part of our population has been ignored. There are 7 million Peruvians in this condition. I wonder why we have allowed so many Peruvians to live under such conditions for so many years.

As I have said many times, for me the reaction is logical. The people have the righ: to rebel. They have not staged a revolution, a revolution that would have perhaps been more effective. The people may have rebelled. Perhaps they lacked a leader to channel this chaos, injustice, and frustration, which is decades and even centuries old.

For myself, there is an explanation for terrorism and subversion. The people have the right to protest and to rebel. But as I said yesterday, it is a pity that no leader has championed the cause. Such a leader may have produced a social revolution. The country, however, has been led toward terrorism. We definitely condemn it, and we are going to fight with all of the weapons contained in the laws, including open and understanding dialogue. But, we will also adopt effective measures. Adopting effective measures means gradually promoting all those ignored regions; it is essential for the state to provide education, health, order, and security services to those areas.

It is essential that our security forces, our police forces, control the highways. Also, the situation must be improved so that the farming sector can work and agriculture can be promoted. In connection with a previous question, this is an essential factor.

We can no longer ignore our peasants. If you took a poll among the members of subversive groups, you would surely conclude that they were either unemployed workers or extremely poor peasants. It is from this sector that subversion obtains its members; subversion feeds on the people's dissatisfaction.

I therefore harbor no illusions about statements that we are going to fight against subversion simply with bayonets and cannons. This is a totally false approach. While this poverty exists, the people will rise for justice and rights.

The people are not only marginalized from an economic viewpoint—we will not use the word ethnic to avoid some concepts that must be set aside—but also from a legal viewpoint, because, gentlemen, there is no justice in those areas. There is abuse and heavy-handedness. I will inflexibly fight those attitudes, regardless of the source. I hope the police will be the first to avoid that type of

behavior. I will be very strong, even with my own friends. I am telling the entire Peruvian people that we need to work and to get organized. However, we have had to do it with a minimum of discipline, order, and respect for one another and for social order.

We can no longer tolerate injustice, starvation, and indiscipline. There are so many factors that must be considered that it is actually a difficult task. Yet I have confidence, and I am certain that the people want this path; that is why on 10 June they did what they had not been able to do in decades. They carried out what I have called the revolution of the ballot box. They have protested, and they have protested massively. The people said no to the continuation of the marginalization policy.

[Rosario Saldana Rojas, Arequipa Television Channel Six] Mr. President, regarding the topic of regionalization, which was not given much attention in yesterday's message, what will be your first measure or action on the drought problem affecting the southern regions, particularly in Arequipa, Grau, and Mariategui?

[Fujimori] Several topics were not addressed in yesterday's message—for example, international relations and Latin American relations, which I discussed at a meeting with the chiefs of state and representatives of friendly countries. As for the regionalization issue, I deliberately left it out of my message [inauguration speech]. If yesterday's presidential message is correctly interpreted, however, it can be clearly concluded that I am against centralism and against having the administration concentrated in the central government.

Regionalization is a topic that really motivates me, a topic of interest to the country and particularly the country's provinces. I want to be very serious in dealing with this topic through the presidential commission on regionalization, the regions' presidents, and the ministers who will attend regional assemblies to directly receive the propositions. I have already met once with the regional assembly presidents, and at that time I pledged my support for regionalization. Of course, some mechanisms should be corrected by consensus. [passage omitted]

Social and economic development must not be focused on Lima but on the forgotten places. During this five-year term, we will emphasize the forgotten population and support will be promised to the regions that urgently need it. We will work actively with international technical cooperation to enable us to make investments in those regions.

[Corin Smith, THE TIMES of London] Mr. President, on previous occasions you have said you are not in favor of military aid offered by the United States, but you once opened the door to that possibility. Then you said that you wanted to coordinate with or listen to the opinion of other political forces. I would like to know if you have heard those opinions and if you know if the military aid offered was from the U.S. Government's 1989 fiscal year, which will end on 30 September.

[Fujimori] I have not yet held any formal meeting with other political groups. I would not want to simply say military aid. It is a question of help and military equipment. We must emphasize those last two words: military equipment. I reiterate my position on this matter. I clearly want to tell the world that this aid—military equipment—will not resolve the drug-trafficking problem.

I think I was very clear yesterday: A problem involving $120 billion will not be solved with isolated measures. I give my support and favorable opinion to the offer from the U.S. Government, which has always stood ready to cooperate with Peru. But we must be realistic; we have to tell the world and those who are responsible for the health of our children that the drug-trafficking problem will not be resolved through this type of help; an overall program is needed. Fortunately, this view is gaining momentum in the world, but it has yet to be expressed in effective economic support for the main countries that are affected.

Drug trafficking is not just a Peruvian problem; it is an international one as well. The economic cost of this problem cannot be borne by Peru alone, because it just cannot do it. Also, the responsibility is not only Peru's. The cooperation of all countries is required. I have made comments on international solidarity before, in terms that also apply to this situation. I believe that some sort of shortsightedness is keeping us from effectively dealing with this grave problem. It is time for governments to quit presenting to the public the impression that something is being done, when in fact drug trafficking is encroaching on our civilization and our youth.

I know that this will cause comments and criticism. But, gentlemen of the press, we have to speak up clearly in this world. I thank you for your participation. I always like to talk with the press, but I must leave, not because I want to, but because my agenda tells me that I have other meetings. Thank you very much.

Aylwin Meets With Garcia, Fujimori, Perez

PY3007014490 Santiago Domestic Service in Spanish 1100 GMT 28 Jul 90

[Report from Lima by Graciela Contreras]

[Excerpts] Upon leaving the Peruvian Government, Alan Garcia Perez urged new constitutional president, Alberto Fujimori, to strive for Peruvian reconciliation. Garcia made this appeal at Government House during a meeting with the chiefs of state who will participate in the presidential inauguration on Saturday, 28 July. According to protocol, the foreign delegation was headed by Chilean President Patricio Aylwin. This was one of the many activities carried out by President Aylwin, who was decorated by Peruvian Vice President Luis Alba Castro with the (Condor of Zavan) of the American Popular Revolutionary Alliance. [passage omitted]

President Aylwin also met with Venezuelan President Carlos Andres Perez and held more than two meetings with President Alan Garcia.

Today, President Aylwin will attend a Catholic Te Deum mass and will head the delegation of chiefs of state at the presidential inauguration ceremony to be held in Congress. [passage omitted]

Prime Minister Hurtado's Curriculum Viewed

PY2707161090 Buenos Aires DYN in Spanish 1326 GMT 27 Jul 90

[Text] Lima, 27 Jul (AFP)—New Peruvian Prime Minister Juan Carlos Hurtado Miller has been characterized by his fellow Liberal Democratic Front members as "the promoter of a self-destructive [fusible] cabinet that will burn out [se quemara] very soon, within a maximum of three months."

President-elect Alberto Fujimori surprised Peruvians when he chose Hurtado. Popular Action leaders were even more surprised, calling their fellow party member "suicidal" for joining a government that has no program and that will have to implement unpopular measures.

Hurtado, 50, has been a member of Popular Action for 33 years and belongs to the group of former President Fernando Belaunde's closest aides. He helped Belaunde create the Liberal Democratic Front that supported writer Mario Vargas Llosa's race for the presidency. Vargas Llosa was defeated, however, by Fujimori.

Even before being sworn in, the prime minister-designate has already assumed the responsibility of telling the country what measures will be adopted by the new government to stabilize the economic imbalance and he must also give Congress a report on the government's overall program, which up to the present time remains an enigma in Peru.

The premonition of an immediate lack of popularity and of being considered as "Fujimori's kamikaze" do not seem to bother him. This may be due to a long career in public administration basically as an official of the Financial Development Corporation, the National Planning Institute, and the Industrial Bank, among others.

In 1980 he was president of the Agrarian Bank and a director of the Central Bank, and three years later he was called by then President Belaunde to join the cabinet as agriculture minister at a time when northern Peru was suffering from the effect of the maritime phenomenon called El Nino, which caused over $1 billion in losses.

In 1984 Hurtado headed a faction within the Belaunde government that supported the presidential slogan "inflation without recession," which put an end to limiting state expenditure for works of development, and highlighted the "payment of the internal debt to the detriment of the international debt."

A Cabinet reshuffle within Belaunde's government did not give him the post of prime minister and he indicated that he was happy to remain as agriculture minister. In 1985 President Alan Garcia asked him to stay on in the ministry because of his "recognized technical work," but the Popular Action stopped him cold.

As most of the members of Belaunde's group, Hurtado did not participate in the election campaign, which was managed by Vargas Llosa's Freedom Movement and which resisted efforts by members of the other parties of the Liberal Democratic Front.

Hurtado submitted an agrarian development project to Vargas Llosa, but it was shelved. He had prepared the project during a post graduate course on economics that he took at Harvard University, United States, between 1986 and 1988.

The new prime minister is an agronomist and a former fellow student of President Fujimori at the Lima Agrarian University. Both of them are said to be close to outgoing President Garcia by the opposition because they advised him on agrarian affairs.

Until now Hurtado has been successful with his old party, which is made up of rightist populists who have not formally accepted his resignation and who allow him to tell the media that he is currently suspended from his party activities so as not to implicate them in the responsibility of cogovernment. Thus, he has somewhat erased the ungrateful image of having switched ships.

Moreover, some analysts believe that Hurtado has resurrected the dream of upper and middle-classes of the country who did not take kindly to the fact that the son of a Japanese like Fujimori should become president, but at least now they have one of their own as prime minister.

Backgrounds of New Cabinet Members Viewed

PY3007034090 Madrid EFE in Spanish 2255 GMT 28 Jul 90

[Text] Lima, 28 Jul (EFE)—The new Peruvian administration, which began its term in office today, together with President Alberto Fujimori, is made up of personalities from various political sectors, independents, and military officers. However, this is not a coalition cabinet, and it does not include members of Fujimori's party, Change 90.

The administration was assembled barely 48 hours before Fujimori, a 52-year-old agronomist, took over as president of the nation replacing Alan Garcia of the American Popular Revolutionary Alliance (APRA).

Fujimori appointed Juan Carlos Hurtado Miller, an agronomist who graduated in his class, as prime minister and economy minister. Even his friends find it difficult to describe Hurtado Miller's ideological leanings, but he is a member of the center-right wing Popular Action (AP)

party. During the AP administration, he held the post of agriculture minister from 1982 to 1985. His performance aroused little controversy.

He has a Ph.D. in agrarian economy from the University of Iowa and studied economy and public administration policy at Harvard. During the recent elections he refused to run for Congress for the Democratic Front coalition to which his party, the AP, belonged. He has held executive posts at the state-owned Agrarian Bank and has the concession for a well-known car rental company in Peru.

The other 13 members of the Cabinet are:

Minister of Foreign Relations: Luis Marchand Stens, 60, a career diplomat. He was deputy foreign minister during the military government of General Juan Velasco Alvarado. He has also served as ambassador to the OAS, the United States, and Chile.

Interior Minister: Army General Adolfo Alvarado Fournier, 56, has taken courses at the Command and General Staff College in the United States. He has also held the posts of War College director and Army personnel chief, among others.

Defense Minister: Army General Jorge Torres Aciego, who apparently has the consensus of the Armed Forces. He held the posts of adviser to General Velasco Alvarado (1968-1975) and director of revenues for the outgoing administration.

Education Minister: Gloria Helfer Palacios, 45, high school teacher, a graduate in sociology from the University of Louvain in Belgium, a specialist in popular education, and a member of the socialist and communist coalition United Left, for which she ran as a candidate for deputy mayor of Lima.

Minister of Energy and Mines: Fernando Sanchez Albavera, 47, an economist who has a master in economics from Harvard University, and a former deputy for the United Left. He is a member of the Socialist Left and has worked as a consultant for the United Nations and the Latin American Economic System (SELA).

Minister of Agriculture: Carlos Amat y Leon, 52, an agronomist who studied economics in Iowa and Wisconsin. He is a professor of economics and during the recent elections, he was in charge of drawing the government plan for the Socialist Left and ran as candidate for vice president for this coalition.

Minister of Industries: Guido Pennano Allison, 38, the youngest member of the Cabinet. He is an independent economist and one of the harshest critics of President Alan Garcia's outgoing administration.

Minister of Health: Carlos Vidal Layseca, 59, a medical doctor with no political affiliation, a former university professor, and an official of the Pan-American Health Organization (PAMO).

Minister of Housing: Guillermo del Solar Rojas, 54, a civilian engineer, an independent, former university professor and dean, and an expert in popular housing programs.

Minister of Transport and Communications: Jorge Toledo Gonzalez, 46, independent, an industrial engineer, and an expert in communications and computers.

Minister of Fisheries: Vice Admiral Raul Sanchez, retired, 68. He has held the posts of commander of the submarine fleet, naval attache in Spain, and Peruvian Navy representative at the Inter-American Defense Board.

Labor Minister: Carlos Torres y Torres Lara, 47, an independent lawyer, an expert in business law and organization of cooperatives. He is dean of the University of Lima School of Law and a lecturer at San Marcos University in Lima.

Minister of Justice: Augusto Antonioli Vasquez, 59, a lawyer. He has held various posts in the Ministries of Education, Health, and Labor, and the now defunct Ministry of Aeronautics.

Fujimori Honors Armed Forces, Police

PA3107145990 Madrid EFE in Spanish 0450 GMT 31 Jul 90

[Text] Lima, 30 Jul (EFE)—The Peruvian Armed Forces today expressed its total loyalty and complete cooperation to President Alberto Fujimori during an event held in the Lima Government Palace.

Also, the new president signed supreme resolutions making changes in the National Police high command two days after replacing the general commanders of the Air Force and Navy.

The military pronouncement was made by Defense Minister General Jorge Torres in a speech during the luncheon hosted by the Peruvian chief of state in honor of the Armed Forces and National Police.

Fujimori held a meeting today with the military and police commands, two days after taking power and changing the ranking military commands. Military sources said the changes caused unrest in the Navy.

I am certain that I am faithfully interpreting the feelings of the Armed Forces in expressing the total loyalty and complete cooperation of our institution because we have the unshirkable, patriotic conviction, today more than ever, that Peru requires our participation, the defense minister stated in his speech.

The National Police director and commanders in each of the three corps that compose it were replaced today.

The new police director is Lieutenant Gen. Adolfo Cuba y Escobedo, who replaces Ruben Romero. The commander of the General Police is Victor Alva Placencia, who replaces Cesar Ramirez. Jesus Fuentes Lopez was

appointed to replace Fernando Reyes in the Technical Police, and Jose Guadalupe Zuta Valqui was appointed to replace Raul Jares in the Security Police.

According to a police spokesman, Interior Minister Army Gen. Adolfo Alvarado Fournier swore in the new police commanders and tomorrow they will be invested with their powers at a ceremony to be held at the National Police Officers Academy.

The new Navy commanding officer, Admiral Luis Montes Lecaros, who is also the Armed Forces Joint Command chairman, and the Air Force commander, Gen. Arnaldo Velarde Ramirez, were recognized by their respective institutions today, after which they attended a reception held by the Peruvian president. Also present at the ceremony were Army chief Gen. Jorge Zegarra, the only military commander who was ratified in his post.

Fujimori described today's meeting at the Government Palace as a first friendly gathering to get acquainted and to look for coinciding views in order to work for the benefit of the sacred interests of the fatherland. President Fujimori also said that his government will firmly support Armed Forces activities to the extent of its capabilities and within the limitations imposed by the crisis.

Argentine President Discusses Cuban Refugees

PY3007032090 Madrid EFE in Spanish 0259 GMT 29 Jul 90

[Text] Lima, 28 Jul (EFE)—Argentine President Carlos Menem said on 28 July that the "refugee crisis" involving Spain and Cuba may be resolved "in a few more days."

Menem had offered to mediate between the governments of Madrid and Havana to resolve the conflict caused by 18 people who sought refuge at the Spanish Embassy in Cuba, asking for political asylum and assistance to leave Cuba.

The Argentine president, who is currently in Lima attending ceremonies marking the transfer of presidential power in Peru, held a news conference during which he reported that today he talked on the phone with the Spanish head of government, Felipe Gonzalez, and held a personal talk with Spanish Foreign Minister Francisco Fernandez-Ordonez to discuss the matter.

"We have voiced our concern about this situation, but I believe that through the good offices of certain Latin American presidents we will be able to make some headway toward a solution to this conflict—this disagreement," Menem said.

The Argentine president added that the Cuban-Spanish conflict is "deadlocked," but "has not worsened" recently.

He added that "it is possible that this issue will be resolved in a few more days."

Menem said that he will soon get in touch with Cuban Foreign Minister Isidoro Malmierca to discuss the issue with Cuban officials, and if necessary, he will go to the "highest level" and talk to the Cuban leader, Fidel Castro.

The Argentine chief executive chose not to expound further on his mediation efforts "for reasons of state."

However, sources in the Argentine delegation visiting Lima told EFE that the telephone talk between Menem and Gonzalez took place at 0800 local time (1300 GMT) today.

The sources indicated that Menem told Gonzalez that both he and Venezuelan President Carlos Andres Perez wanted to "prevent the situation from escalating," to which the Spanish officials answered that the Madrid Government has always "looked after" its relations with Cuba.

The sources added that the Madrid government conveyed its intention to look for a mechanism capable of resolving the conflict and that it is prepared to wait for a solution to the conflict which, according to the Argentine delegation, can only be resolved through the efforts "of a third country."

Cuban Delegation Visits Shantytown Community

FL3007161590 Havana Tele Rebelde Network in Spanish 1130 GMT 30 Jul 90

[Text] The Cuban delegation that attended the inauguration of the new Peruvian president has visited the self-sufficient community of Villa El Salvador near Lima. The delegation headed by Juan Escalona, president of the National Assembly of the People's Government, visited the community that had been built on a sandy stretch near the coast during the presidency of General Juan Velazco Alvarado.

During his visit to the village, where over 300,000 people live in precarious shacks, Escalona relayed Fidel's greetings to all Peruvians. Alfredo Fujimori, who on 28 July was sworn in as Peruvian president, said during his first news conference as chief of state that honesty, investment, and development are the pillars of his government program. Fujimori warned that his government will pursue all investigations into violations of human rights.

Attack on Jew Linked to Shining Path, Abu Nidal

PY0108032090 Lima EXPRESO in Spanish 26 Jul 90 p 4

[Text] The thwarted attack on Yaacov Hasson Ichab (60), executive director of human relations for the Jewish community in Peru, was allegedly perpetrated by a Shining Path death squad as part of a plan to tarnish the presidential inauguration ceremony and draw the attention of the international media.

It is believed that the attack, which occurred at 1645 on Tuesday, 24 July in Orrantia del Mar (Magdalena), was executed by the Shining Path; this belief is based on the type of weapons that were used, the fact that petards were used, and the fact that there were two women among the attackers.

A high-ranking official in the Counterterrorism Division (Dircote) stated that the fortuitous presence of a Peruvian Navy jeep transporting four marines prevented the terrorists from fulfilling their objective.

Moreover, Yaacov Hasson Ichab's decision to throw back one of the petards disrupted the terrorists' plan to kill him.

However, the participation of a clandestine cell of the radical Palestinian Abu Nidal group in the thwarted attack has not been dismissed.

The police have come to believe this because of the attacks launched by the Abu Nidal group against Jewish premises and leaders in Europe, Latin America, and the Middle East. There is also the possibility that three Arab-Palestinian citizens—who were arrested in July 1988 by the Peruvian Investigative Police (currently the Technical Police) and later released—may have contacted members of that terrorist organization based in Peru.

New Tabloid Appears in Lima's Streets

PY3107214390 Buenos Aires DYN in Spanish 2228 GMT 29 Jul 90

[Summary] Lima, 29 Jul (AFP)—The tabloid EL UNIVERSAL, which has a liberal trend, appeared in Lima on Sunday, 29 July.

The new tabloid is published by the National Newspaper Enterprise, which also prints the newspapers EL POPULAR and OJO in Lima, and LA CADENA CORREO in the cities of Arequipa, Huancayo, Piura, and Tacna.

* Reportage on Strike's Affect on Health Sector

* Strikers Overrun Office

90SM0165A Lima EXPRESO in Spanish 17 Jun 90 p 5

[Text] The Technical Police State Security Subdirectorate has confirmed the arrest of 97 Ministry of Health workers who last Friday staged violent confrontations with police after seizing and occupying ministry headquarters.

Among those in custody are seven alleged terrorist infiltrators who urged workers to engage in violence. Their identity was not revealed. They will all be charged with crimes of attacking law enforcement officials and violence, one National Police official reported.

He added that the legal situation of those arrested will be resolved tomorrow and that the Technical Police State Security Subdirectorate is requesting the police and criminal records of those involved.

At the request of Ministry of Health officials, the Special Services Unit of the General Police intervened to evict workers who had occupied its main headquarters, where the minister's office and other offices are located.

* Garcia Vetoes Pay Measure

90SM0165B Lima EXPRESO in Spanish 18 Jun 90 p 5

[Text] Health workers who have been striking for 56 days have expressed their anger because President Garcia did not enact the bill which automatically equalizes their wages with pay received by employees of the Peruvian Institute of Social Security (IPSS). [They] announced that they will continue their radical action until the government meets their demands.

Members of the different trade union rank and file of the National Federation of Health Workers (CNUTS) commented that President Garcia's attitude is in contradiction with the spirit of the Health Workers Law enacted two months ago, the same law which, they said, provides for gradual equalization of the salaries of doctors in the Health sector with those working for Social Security.

Workers expressed their discontent with the government's decision to observe and return the bill in question to Parliament. At the same time, in a place not made known to the press "for security reasons," a special assembly of delegates of Health sector employees was held.

It was learned in the afternoon that strikers had reportedly decided to resume marches, meetings, and street demonstrations today in Lima as well as in the interior, demanding: enactment of the bill observed by the chief of state, reinstatement pay of 600,000 intis a month retroactive to October, according to a court order, and replacement of labor leader Jorge Hubert Rosado and others.

It was also reported that striking Health workers in Huacho, Chancay, Chimbote, Casma, and Tarma will begin their "sacrifice march" to Lima today.

Minister of Health Paul Caro Gamarra will meet at 1800 hours this afternoon with CNUTS officials from the Ministry of Health in order to seek a prompt solution to the prolonged labor dispute.

In the meantime, a total of 97 Ministry of Health workers were still being held in State Security cells yesterday, accused of acts of vandalism during the violent takeover of the ministry's central headquarters on Friday.

Those in custody include the first general secretary of the Ministry of Health's National Federation of Health Workers, Benjamin Leon Quilquillo, who, it was

reported, refused to be freed the night before last to show solidarity with the rest of his comrades.

* Change 90 Mediates Conflict

90SM0165C Lima EXPRESO in Spanish 20 Jun 90 p 6

[Excerpt] A special commission named by President-elect Alberto Fujimori Fujimori is directly involved in mediation attempts to solve the labor dispute involving 80,000 Ministry of Health workers who have been on strike for 58 days.

The commission includes Dr. Demetrio Molero and Dr. Anibal Escalante, who have initiated separate dialogues with high officials in the Health sector and workers' representatives, achieving some positive results.

This information was released yesterday by the second general secretary of the National Federation of Health Workers, Edmundo Manrique, who added that the purpose of the mediators is to settle the strike as soon as possible so that the transfer of power may take place in an atmosphere of calm.

At the same time, he said the dialogue with Minister Paul Caro Gamarra is continuing in order to arrive at an understanding on demands within his competence, such as payment of the hospital allowance based on the principal wage, replacement of labor leader Jorge Hubert Romsado, and payment of 600,000 intis per month retroactively to October based on court orders and related documents.

With respect to the bill equalizing pay with that of Social Security, vetoed by President Alan Garcia, he said they would continue to follow legal channels.

* Government Declares Emergency

90SM0165D Lima EXPRESO in Spanish 25 Jun 90 p 3

[Text] The government yesterday declared a 40-day state of emergency affecting Ministry of Health facilities throughout the nation and confirmed the announcement made by Minister Paul Caro Gamarra that new personnel would begin to be hired today to handle patients at government hospitals which have been semi-paralyzed for 63 days by the health employees' strike.

The government's decision is contained in Supreme Decree No 010-90-SA published in EL PERUANO yesterday and also provides that effective immediately, all agencies of the national public sector must provide support required by the Ministry of Health to meet the declared emergency.

The introduction to the decree in question states that due to the strike by workers in the sector and the lack of human resources, combined with budget shortages, Ministry of Health facilities "are not providing proper care" for patients in general.

Given this situation, the order says, "it is necessary to take suitable measures to restore normal services," based on the constitution, the Health Code, and the government budget for this year.

It should be noted that in announcing Saturday that new personnel would be hired in the sector, Minister Caro Gamarra said the action was necessary in order to protect low-income patients who must go to government hospitals.

He added that for the time being, workers named who are still on strike would not be fired.

* New Health Personnel Hired

90SM0165E Lima EXPRESO in Spanish 25 Jun 90 p 3

[Text] The Peruvian Institute of Social Security has recently hired nearly 500 workers, including doctors, nurses, and auxiliary personnel to counter the effects of the 41-day strike of Health workers, despite the ultimatum issued that force would be used.

The announcement was made by the general secretary of the Center Union of Workers (CUT) at Rebagliati Hospital, Luis Caceres Cervantes, who viewed the incident as a "provocation" by the entity's executive president, Alejandro Ubillus.

Ubillus said the hiring of personnel was made necessary because they violated the "emergency principle" by leaving patients without care during the strike. "We have never totally abandoned the hospitals," he said.

After explaining that at Rebagliati, some 1,600 doctors, nurses, and auxiliary personnel are still working, thus failing to obey the measure, Caceres Cervantes viewed the fact as "an unacceptable form of pressure" aimed at trying to make them yield.

Claiming that a similar situation exists at Almenera Hospital and other clinics in the city, he said that such attitudes only solidify the struggle and further radicalize strikers.

Uruguay

Lacalle Comments on Bank Secrecy Negotiations

PY3007224590 Buenos Aires DYN in Spanish 1631 GMT 29 Jul 90

[Text] Montevideo, 29 Jul (AFP)—The local press reported today that in view of the concern by the Uruguayan financial sector over the eventual cessation of bank secrecy, President Luis Alberto Lacalle has asserted that negotiations on this issue with the United States are limited to capital derived from narcotrafficking.

Speaking at an impromptu news conference after the inauguration of a low-income housing project in the

interior of the country, Lacalle said: "Honest and hard-working people should not worry."

Lacalle said: "Switzerland (a traditional European financial center) has agreements with other countries over the cessation of bank secrecy but this measure always follows a court order in the search for illegally obtained funds."

The U.S.-Uruguayan negotiations seek to establish an agreement for the cessation of bank secrecy in cases connected with the laundering of money derived from narcotrafficking.

A government spokesman said that these negotiations will be concluded by the end of the year, while other sources have reported that the agreement will be signed in September on the occasion of U.S. President George Bush' visit to Uruguay.

Deposits of money belonging to non-Uruguayan residents in the Uruguayan financial system, which is protected by a strict bank secrecy, total over $3 billion.

Venezuela

Perez Will Help 'Legitimate' Trinidad Government

PA3107165490 Caracas Venezolana de Television Canal 8 in Spanish 1604 GMT 31 Jul 90

[Text] President Carlos Andres Perez has pointed out that the current situation in Trinidad and Tobago, where a group of religious fanatics has disrupted the democratic stability of the Caribbean island, is an isolated event promoted by a minority group. Therefore, he does not believe there is any possibility that theocratic regimes will arise in the Americas, as our culture and feelings do not support such types of systems.

[Begin Perez recording] Venezuela has a clear and broad concept of nonintervention and of respecting the sovereignty of other countries, but within a new and modern concept. We are willing to provide all kinds of cooperation to the legitimate authorities of Trinidad and Tobago and to Caricom [Caribbean Common Market], the organization of the Caribbean countries which also includes a military assistance system.

This is all within our concept of nonintervention. Therefore, the only thing we are not allowed is armed participation. We are willing to give all the cooperation that is requested, and we consider this is not only our duty, but also our obligation. [end recording]

Government Denies Plans To Intervene

PA0108020890 Paris AFP in Spanish 0120 GMT 1 Aug 90

[Text] Caracas, 31 Jul (AFP)—Venezuelan Defense Minister Hector Jurado denied today that his country is planning to intervene in Trinidad and Tobago and pointed out that the presence of Venezuelan Navy ships near the coasts of that country is due only to "normal training."

"We currently have two frigates and a patrol boat in Venezuela's eastern coasts, but they are there only for "normal training."

Trinidad and Tobago, with an extension of 5,128 square km, shares the Gulf of Paria with Venezuela and is only 10 km off Venezuela's coasts.

On 29 July, the Venezuelan Government condemned the coup attempt in Trinidad, where a group of black Muslims kidnapped Prime Minister Ray Robinson and several members of his cabinet.

In a communique released through the Foreign Ministry, the Venezuelan Government said that it "strongly rejects any attempt at interrupting the constitutional line in Trinidad and Tobago" and will back any action that the member countries of the English-speaking Caribbean Community may decide to adopt.

Naval Forces Patrolling Trinidad and Tobago

PA3107164690 Caracas Venezolana de Television Canal 8 in Spanish 1601 GMT 31 Jul 90

[Text] Foreign Affairs Minister Reinaldo Figueredo has reported that Venezuelan naval forces are patrolling all of Trinidad and Tobago's maritime zones, providing support for that country's coast guard. He reported that, as is well known, the most delicate situation is taking place in Port of Spain. A group of young people from Caracas spent several days in that country while this difficult situation was taking place. Fortunately, they are back home with their parents.

[Begin Figueredo recording] The Venezuelan Government, particularly President Carlos Andres Perez, is following the situation very closely. I got in contact with some of the mothers of some of these young people to assure them that they would be back home unhurt as soon as circumstances allow. We are happy that is indeed what happened. [end recording]

Perez Optimistic About Cuban-Spanish Dispute

PA3107150290 Paris AFP in Spanish 2235 GMT 30 Jul 90

[Text] Caracas, 30 Jul (AFP)—Social Democratic President Carlos Andres Perez said today he has spoken with Cuban President Fidel Castro and Spanish Prime Minister Felipe Gonzalez about the Spanish Embassy problem in Havana. He added that he is optimistic about a prompt solution to the crisis.

Nevertheless, the Venezuelan president said he does not consider himself a mediator. We should not act in support of any sector, instead, we must help find solutions, trying to bring together the two sides," Perez said.

"It is in this sense, and not as a mediator, that I have spoken with President Fidel Castro and Prime Minister Felipe Gonzalez," Perez added.

Guyana

President Hoyte Condemns Coup in Trinidad

FL2807234290 Bridgetown CANA in English 2320 GMT 28 Jul 90

[Text] Georgetown, Guyana, July 28, CANA—Guyana's President Dedmond Hoyte Saturday condemned the attempted coup in Trinidad and Tobago as "an undesirable departure from the traditions of constitutional government." In a statement, Hoyte also expressed the wish that the situation in the twin-island Republic will be rapidly resolved. Black Muslims in Trinidad stormed the Parliament Friday, seizing Prime Minister A.N.R. Robinson and members of his Cabinet.

"The Government of Guyana unequivocally condemns as being completely unacceptable in Caricom [Caribbean Community] the attempt to overthrow the Government of Trinidad and Tobago by force of arms and endorses completely the statement issued by Caricom foreign ministers in Jamaica denouncing the attempted coup," Hoyte said.

"The Government of Guyana considers the attempted coup to be an undesirable departure from the traditions of constitutional government which is part and parcel of the political culture of the Commonwealth Caribbean.

"The Government of Guyana hopes that the situation will be rapidly resolved and that our sister state of Trinidad and Tobago will be able to return to a situation of constitutional normalcy as quickly as possible."

PNC Condemns 'Turn of Events' in Trinidad

FL2907133290 Bridgetown CANA in English 0305 GMT 29 Jul 90

[Text] Georgetown, Guyana, July 28, CANA—Guyana's ruling People's National Congress (PNC) on Saturday condemned what it termed "the unhappy turn of events in Trinidad and Tobago," where Muslim terrorists on Friday kidnapped the prime minister, A.N.R. Robinson and members of his cabinet and claimed to have taken over the government.

"The PNC has noted with regret the unhappy turn of events in Trinidad and Tobago and condemns the violent attempt to overthrow the government of Trinidad and Tobago," the party's General Secretary, Seeram Prashad, said in a signed statement circulated Saturday.

The statement continued: "We express our solidarity with the people of Trinidad and Tobago and stand with them in their efforts to restore due constitutionality in the governance of their country.

"Within recent months, in Guyana, there have been repeated calls for violence from prominent members of the People's Progressive Party, the Working People's Alliance, and the Guyanese Action for Reform and Democracy, as a means of gaining political power.

"The people of Guyana have grown accustomed to conditions of peace and tranquility over the past 25 years under PNC government. In the circumstances, the PNC calls on the people of Guyana to take note of the tragic situation that has arisen in a sister Caribbean country and be vigilant in maintaining peace and good order in Guyana.

"Every Guyanese has a duty to prevent elements in our country that are bent on promoting political violence from achieving their sinister designs to create conditions of instability and chaos in our country.

"The PNC stands ready to join with all right-minded citizens to ensure conditions of peace and due constitutionality are preserved in our country."

People's Progressive Party Rejects Coup

FL3007215090 Bridgetown CANA in English 2110 GMT 30 Jul 90

[Text] Georgetown, Guyana, July 30, CANA—Guyana's Marxist-Leninist People's Progressive Party (PPP) on Monday rejected as unacceptable the armed attempt by a small largely Black Muslim group to remove the elected government.

"Resort should have been made to institutional mechanisms... to deal with what had appeared to be a crisis in the politics of accountability," said the PPP which is headed by Dr. Cheddi Jagan.

Following is the text of the PPP's statement headlined: "Trinidad Coup Bid: Methods Unacceptable":

"The People's Progressive Party (PPP) is seriously concerned over the present developments in Trinidad and Tabago, especially over the wanton loss of life and property in a perceived failed coup by a rebel grouping of Black Muslims.

"Whatever might have been the gravity of the situation or the degree of provocation, the PPP finds as unacceptable the methods employed in an attempt to overthrow a legally-elected government. Resort should have been made to institutional mechanisms, including free and fair elections which Trinidad and Tobago enjoyed, to deal with what had appeared to be a crisis in the politics of accountability.

"The PPP hopes that a quick end be put to the killings and destruction of properties and that the troubled situation in the neighbouring CARICOM state does not escalate. Weapons should now be replaced by the tools of negotiations and a political settlement".